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Japan

Hata, Clinton Agree on Framework Talk Efforts

OW1005151894 Tokyo KYODO in English 1501 GMT
9 May 94

[Text] Tokyo, May 9 KYODO—Prime Minister Tsutomu Hata and U.S. President Bill Clinton agreed in a telephone talk Monday to make efforts to reopen the stalled bilateral trade "framework" talks before the Naples summit of the Group of Seven industrialized nations in July, government officials said.

Hata and Clinton reached the agreement in a 10-minute telephone talk on Monday night, the officials said.

Book Claims 1969 Nuclear Pact Made With U.S.

OW1005001894 Tokyo KYODO in English 0000 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Japan and the United States concluded a secret agreement in 1969 under which the U.S. can redeploy and transport nuclear weapons in Okinawa Prefecture in case of emergency, according to a book to be published Thursday [12 May]. Kei Wakaizumi, a former professor of international politics at Kyoto Industrial University, said in his new book that the two countries concluded the secret deal during summit talks between then Prime Minister Eisaku Sato and President Richard Nixon in November 1969.

According to the book, a draft of agreed minutes to the Japan-U.S. Joint Communique Nov. 21, 1969, stated in part, "In times of great emergency the United States Government will require the reentry of nuclear weapons and transit rights in Okinawa with prior consultation with the Government of Japan."

The agreed minutes also said, "The Government of Japan, appreciating the United States Government's requirements in times of great emergency as stated above by the President, will meet these requirements without delay when such prior consultation takes place."

As Sato's special envoy, Wakaizumi at the time was negotiating the reversion of Okinawa to Japanese control with Henry Kissinger, Nixon's national security adviser. The U.S. had maintained a presence of nuclear weapons in Okinawa before the territory was returned to Japan by the Nixon administration in 1972.

Prime Minister Sato had insisted then that Japan would reject the reentry of nuclear weapons into Okinawa even if there were prior consultations.

A government source, when asked to comment on the secret accord mentioned in Wakaizumi's book, said he is not aware of "such facts."

"No comment. We ignore (the report)," the source said.

Kakizawa Denies Secret Deal

OW1005025794 Tokyo KYODO in English 0235 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Foreign Minister Koji Kakizawa denied Tuesday [10 May] that Japan and the United States concluded a secret agreement in 1969 under which the U.S. can redeploy and transport nuclear weapons in Okinawa Prefecture in case of emergency as was claimed in a soon-to-be published book. "Such a secret agreement does not exist as the government has been saying," Kakizawa told a press conference.

According to a book to be published Thursday, Japan and the U.S. concluded the secret deal during summit talks between then Prime Minister Eisaku Sato and President Richard Nixon in November 1969.

The author of the book is Kei Wakaizumi, a former professor of international politics at Kyoto Industrial University, who, as Sato's special envoy, negotiated the reversion of Okinawa to Japanese control with Henry Kissinger, Nixon's national security affairs adviser.

Chief Cabinet Secretary Hiroshi Kumagai also denied the existence of the 1969 secret nuclear pact.

Kumagai, the chief government spokesman, said at a news conference that Japan has long banned the introduction of nuclear weapons into the country.

Kato: U.S. Criticism of Tax Plans 'Strange'

OW1005095594 Tokyo KYODO in English 0940 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—The head of the government tax commission, Kan Kato, blasted Tuesday [10 May] as "strange" U.S. criticism of Japanese plans to cut income taxes and raise consumption taxes.

It is "simplistic" to argue that writing a later consumption tax hike into the same legislation that cuts income taxes will hurt the economy and erase the boost the tax cut should bring, Kato told a regular news conference after a meeting of the commission, an advisory panel to the prime minister. "The American way of thinking is strange," said Kato, a professor emeritus of economics at Keio University.

U.S. officials have complained about the idea of linking tax cuts and hikes, saying the knowledge of a coming tax hike would psychologically cancel the effect of the cut. But Treasury Secretary Lloyd Bentsen recently indicated the United States would endorse a linked tax plan if the two measures were separated by a "substantial time."

Washington wants Tokyo to cut taxes first to boost domestic demand and thus curb Japan's huge trade surplus. But fiscal conservatives led by the powerful Finance Ministry insist that the offsetting financing be locked in before the government cuts taxes.

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Earlier Tuesday, Prime Minister Tsutomu Hata vowed to the tax commission that he will continue his predecessor Morihiro Hosokawa's tax overhaul agenda, including "permanent income tax cuts."

He asked the commission to flesh out its detailed tax overhaul report next month as planned, "based on the pillar of lessening personal income taxes and fulfilling taxation on consumption."

Hata renewed Hosokawa's vow of submitting the tax reform plan, based on the options proposed by the panel, to parliament by the end of next month and enacting the legislation this year, with "the cooperation and understanding of the various parties."

To meet the panel's deadline, Kato said, the members must consolidate the thrust of their proposals by the end of this month to allow time for public hearings throughout the country before compiling the final June report.

Hata asked the panel to "treat the request of former Prime Minister Hosokawa as my request." Hosokawa had also said Japan's net tax burden must grow to meet the coming needs of the nation's graying society.

But Kato said a net tax increase has not emerged as a consensus view in the panel, although some members favor an overall increase in taxation for social welfare spending.

Kato also confirmed that some members argue for a multi-rate consumption tax, that would tax such necessities as food at a lower rate than other items. But he said it has not emerged as a formal panel option, as reported Tuesday in the NIHON KEIZAI SHIMBUN.

MITI Confirms 'Informal Talks' With U.S.

*OW1005043694 Tokyo KYODO in English 0326 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—International Trade and Industry Minister Eijiro Hata confirmed Tuesday [10 May] that Japan and the United States have begun informal talks in a bid to resume the stalled trade "framework" negotiations.

Japanese trade officials in charge of the framework talks, for example, have made contacts with their U.S. counterparts by telephone, Hata told a regular press conference. As there is little time before the end-of-June target for restarting the talks, Japan wants more opportunities for discussion with Washington, Hata said.

The trade minister previously said Japan wants to use "all kinds of communication channels" with the U.S. to pave the way for an early reopening of the framework talks, suspended since the breakdown in the February summit between then Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Tokyo and Washington vowed efforts for a breakthrough in the suspended trade talks before the July summit of the Group of Seven (G-7) leading industrialized nations in Naples.

On Japan's assistance to South Africa, Hata said his ministry is now working to formulate specific aid programs for the country.

Ministry To Lift Ban on U.S.-Grown Apples

*OW1005044894 Tokyo KYODO in English 0331 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—The Ministry of Agriculture, Forestry and Fisheries said Tuesday [10 May] that quarantine measures Washington State has implemented recently to prevent an apple disease spreading have cleared Japanese requirements for imported apples.

Ministry officials said the ministry's on-site inspections have found no problems in U.S. quarantine procedures for fire blight, a common apple disease. Ministry sources said that as a result, a Japanese ban on imports of U.S.-grown apples will be lifted from late this year to early next year.

Japan has resisted U.S. calls for ending its curbs on imports of American apples despite decades of U.S. lobbying, citing worms and diseases which could spread to contaminate Japanese crops.

Kakizawa Pledges Middle East Support to U.S.

*OW1105145494 Tokyo KYODO in English 1430 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—Foreign Minister Koji Kakizawa pledged to U.S. Secretary of State Warren Christopher on Wednesday [11 May] that Japan will boost support for U.S. efforts to bring about peace in the Middle East through aid to Palestine, Israel and Arab countries. Kakizawa conveyed the message in a telephone conversation, Foreign Ministry officials said.

Kakizawa praised the U.S. for mediating in bilateral negotiations between Israel and Syria. Japan will continue to promote multilateral negotiations for Middle East peace, Kakizawa said.

Christopher praised Japan's positive attitude in supporting the Middle East peace process, the officials said.

Ministry: 71 Japanese Flee Yemen, 19 Remain

*OW1005014994 Tokyo KYODO in English 0128 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—At least 71 Japanese have left Yemen by ship and air for Djibouti, but 19 other Japanese are still in the strife-torn country, Foreign Ministry officials said Tuesday [10 May].

They said the ministry urged the 19 to leave Yemen as soon as possible. The stranded Japanese nationals are considering leaving the country by aircraft of other countries, the officials said.

The 19 still in Yemen are five employees of Ishikawa-jima-Harima Heavy Industries Co., one Nissho Iwai Corp. official, and 13 Japanese Embassy personnel and their dependents.

The Japanese Embassy in Sanaa advised Japanese residents and tourists to evacuate from the Yemeni capital Saturday, three days after the Yemeni Government declared a state of emergency because of fighting between northern and southern army units and shelling in the capital.

No Citizens Remain in South

OW0905153894 Tokyo KYODO in English 1504 GMT
9 May 94

[Text] Tokyo, May 9 KYODO—No Japanese citizens remain in the southern part of civil-war-torn Yemen, as the last three left the embattled southern city of Aden aboard a French boat Monday [9 May], the Foreign Ministry said. The three Japanese, a tourist from Fukuroi in Shizuoka Prefecture and an embassy personnel stationed in the former southern capital and his wife, are on their way across the Gulf of Aden to Djibouti.

Northern forces were reported to have almost overrun Aden on Monday.

In northern Yemen, another 68 Japanese citizens were flown out from the capital of Sanaa aboard German and Italian military aircraft Monday, following advice from the Japanese Embassy to leave as soon as possible. Their arrival in Djibouti could not yet be confirmed.

Tokyo is still trying to have the remaining 21 Japanese residents and tourists evacuated quickly, as hostilities continue to grow between rival southern and northern army units. They will likely be evacuated by emergency aircraft of other nations, government sources said.

A total of 16 Japanese, including embassy-related personnel, are reportedly in Sanaa with five Japanese in the northern city of Mafraq.

SRV Urges Increased Investment at Seminar

OW1105121894 Tokyo KYODO in English 1056 GMT
11 May 94

[Text] Tokyo, May 11 KYODO—Vietnam desires more Japanese investment and is ready to take further steps to attract it, a senior representative of a Vietnamese business association said Wednesday [11 May].

Doan Ngoc Bong, first vice president of the Chamber of Commerce and Industry of Vietnam, made the remarks to some 200 Japanese business people at a seminar on

investment in Vietnam held at the Federation of Economic Organizations (Keidanren). He said that as of mid-March, there were 897 licensed foreign investment projects, with a combined capital value of 8.47 billion dollars.

With 56 investment projects capitalized at 542 million dollars, Japan trailed in fifth place behind Taiwan, Hong Kong, Singapore and Australia—despite its being Vietnam's largest trading partner and aid donor.

Among the Japanese investments are 26 industrial projects, five oil and gas projects, five bottling or canning projects, four agriculture or forestry projects, three service sector projects, one fisheries project and one housing construction project.

At a bilateral economic conference held in Ho Chi Minh City last month, Japanese investors were invited to put money into industrial and export-processing zones as well as such priority areas as oil and gas, cement, food processing and manufacturing for export.

Doan Ngoc Bong said Vietnam also welcomes more investment in the form of build-operate-transfer (BOT) projects, which Hanoi will treat as a special priority. He noted that the speed of Vietnam's absorption of foreign investment funds has been rapid, rising at an average 52 percent annually.

Vietnam received 70 percent as much investment in 1992 as it attracted during the previous four years, while the total investment in 1993 was 40 percent more than that in 1992, he said. But he acknowledged that Vietnam has much to accomplish if it is to continue attracting foreign investment in the face of increasing competition from other countries in the region.

Among impediments that have been cited by potential investors are the country's weak infrastructure, shortcomings in the legal, financial and accounting systems, and poor local working conditions.

Commercial Banks To Open More Offices in SRV

OW1105104294 Tokyo KYODO in English 1029 GMT
11 May 94

[Text] Tokyo, May 11 KYODO—Major Japanese commercial banks Mitsubishi Bank and Sanwa Bank will open representative offices in Ho Chi Minh City, Vietnam, on Thursday [12 May], bank officials said Wednesday.

The offices, each staffed by three officials, will collect information on the Vietnamese economy as the country shifts to a market economy, the officials said. The opening of the offices will bring to seven the number of Japanese banks which have representative offices in Vietnam.

More Reportage on Visit of Cambodia's Hun Sen
BK1005084394 Phnom Penh National Radio of Cambodia Network in Cambodian 0430 GMT 10 May 94

[Text] Accompanied by His Excellency [H.E.] Sok An, H.E. Khieu Kanharit, and other aides, Samdech Hun Sen, vice chairman of the Cambodian People's Party and second prime minister of the Kingdom of Cambodia, arrived in Tokyo on 9 May.

That morning at the New Otani Hotel, Samdech Hun Sen granted an audience to H.E. (Nishio) Watanabe, former chairman of the Liberal Democratic Party, who expressed his joy concerning the positive developments in the Cambodian peace process. H.E. Watanabe also expressed the firm hope that the current meeting of the Socialist International Council would certainly welcome the good experiences of national reconciliation and development from the Cambodian delegation.

In his reply, Samdech Hun Sen conveyed the Cambodian people's gratitude to the Japanese people, who had helped the Cambodian people sail across a difficult stage in their history. He pointed out that although the Royal Government of Cambodia [RGC] faces a great many problems that have piled up for more than 20 years—especially the social, economic, and Khmer Rouge problems—the RGC is still optimistic about Cambodia's future. This is because what is important now is that Cambodia's problem is no longer a foreign conflict or intervention, but it is only the concern of Cambodia.

Samdech Hun Sen also invited H.E. Watanabe, an activist and a pioneer in the construction of the Chroy Changva bridge [in Phnom Penh], to visit Cambodia. The latter accepted the invitation with pleasure.

That afternoon, Samdech Hun Sen and his delegation visited the Tokyo Stock Exchange, where he conducted research and study on key mechanisms of a free-market economy.

In the evening, Samdech Hun Sen and his delegation attended a reception in their honor by Japanese deputy foreign minister (Azuma). H.E. (Azuma) expressed his concern about the development of less than good relations between the Kingdom of Cambodia and the Kingdom of Thailand, both good friends of Japan. He voiced hope that the two countries would be able to reach a wise and peaceful settlement.

For his part, Samdech Hun Sen informed H.E. (Azuma) about the view of the RGC, which believes that it cannot rebuild the country by taking its neighbors as enemies. Therefore, it is not the time for Cambodian-Thai relations, although tense in the recent past, to be considered ruptured. The RGC will strive to maintain its patience and preserve good relations with its neighbors, thereby insuring regional stability.

The reception was held in an atmosphere of joy and cordiality.

Chinese Wanted for Aiding Illegal Immigration
OW1005140394 Tokyo KYODO in English 1315 GMT 10 May 94

[Text] Tokyo, May 10 KYODO—Three Chinese suspected of helping immigrants enter Japan illegally have been put on the wanted list, the metropolitan police department said Tuesday [10 May]. The three are believed to be members of a detained Chinese group that allegedly brokered the illegal immigration of 71 Chinese in Wakayama Prefecture in February.

The two men and one woman, whose whereabouts are unknown, are suspected of helping to hide and guard the immigrants after their arrival.

New evidence indicates the group was also behind the illegal immigration of another 28 Chinese last November, investigators at the department's public security division said. At an apartment in Tokyo's Toshima Ward, which presumably served as the group's hideout, investigators found notes mentioning "travel expenses for 28" or "prepare bread for 28 guests."

The findings indicate the group provided the immigrants with train tickets and provisions, investigators said.

Preliminary investigations found the leader of a Hong Kong smuggling ring paid 1.5 million yen to the group to bring the immigrants to Japan. The ring had developed a sophisticated network with separate groups supervising different legs of the journey.

One group organized the trip from local areas in China to the port of embarkation and another was responsible for the crossing to Japan. A third batch accompanied the newly arrived to Nagoya Station, where they were taken over [by] a fourth group that guided them to Tokyo Station, the final destination.

The arrested group dealt with the Nagoya-Tokyo transaction, according to police.

Iranian Oil Minister Elaborates on Oil Policies
LD1005172194 Tehran IRNA in English 1644 GMT 10 May 94

[Text] Tokyo, May 10, IRNA—Oil Minister Gholam Reza Aqazadeh said here Monday that Iran is working towards creating an international consensus on energy based on economic growth, preservation of the environment, stabilization of international supply and demand, and a fair and reasonable crude oil price. Aqazadeh who arrived here Monday made the remark in a meeting with the Japanese corporate leaders.

Mentioning that Iran was the third crude oil supplier to Japan, he called for a greater market share in that country.

Iran is the second highest crude oil producer among the 13 states who form the organization of petroleum exporting countries (OPEC) and the second crude oil exporter in the world.

Iran is second in the world in terms of gas reserves, said the Iranian minister, adding that in the coming decade the country will become one of the major suppliers of gas and oil.

Aqazadeh said Iran attaches special priority to meet Japan's needs in the oil and gas sector.

He welcomed investments from foreign companies including Japanese for development of Iran's oil and gas fields in the second 5-year development plan (1994-98).

Referring to Iran as an "important gateway" to the Central Asian republics, he suggested that the Japanese corporate manufacture their goods in Iran with the aim of exporting them to the Central Asian and Persian Gulf states.

Aqazadeh voiced concern over the current situation of the oil market and said the price slump means a decline in the oil producers' income, slow down in their development coupled with more output to meet the world's growing energy demand, and finally lesser trade with industrialized states.

The oil minister reminded that this would trigger an energy crisis in the future.

The world today has no other way to put an end to its current economic malaise, except developing the economic interdependence among various regions, producers and consumers of energy, he stressed.

Aqazadeh is to leave Japan for Seoul, South Korea, Tuesday on a 4-day visit.

Albania Backs UNSC Seat; Loan Guaranteed
*OWI1005140894 Tokyo KYODO in English 1309 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—Albanian Foreign Minister Alfred Serreqi expressed hope Tuesday [10 May] that Japan will become a permanent member of the U.N. Security Council [SC], Foreign Ministry officials said.

Serreqi told Japanese Foreign Minister Koji Kakizawa that it is "natural" for Japan to become a permanent member considering its importance in the international community, the officials said.

In a 40-minute meeting followed by dinner, Kakizawa urged Albania not to deal "emotionally" on problems involving Albanians living in Macedonia [The Former Yugoslav Republic of Macedonia] and Kosovo in neighboring Serbia, the officials said.

Serreqi replied that Albania seeks to solve the problems through talks and does not approve of changing borders by force.

Kakizawa pledged to extend a loan of up to 2.16 billion yen for a project aimed at increasing agricultural production and processed products and to realize macroeconomic stabilization, officials said.

The 30-year-loan, with a 10-year grace period, has an annual interest rate of 1 percent, they said.

Kakizawa also told Serreqi that Japan plans to dispatch macroeconomic experts in June or July to advise on policies and to send a mission to Albania this summer to study economic cooperation.

Kakizawa told Serreqi that Japan will offer economic assistance on condition that Albania maintain friendly relations with its neighboring nations such as Macedonia, Serbia and Greece they said.

Serreqi, 55, will conclude his five-day visit in Japan on Saturday.

Australia To Increase Osaka's Consulate General
*OWI105092794 Tokyo KYODO in English 0809 GMT
11 May 94*

[Text] Sydney, May 11 KYODO—Australia plans to increase its staff in the consulate general in Japan's No. 2 business center at Osaka, Foreign Minister Gareth Evans said Wednesday [11 May]. Three new staff, one officer from the Department of Foreign Affairs and Trade, and two local employees, will be added to the 31-strong staff at the consulate, Evans said.

Evans said trade and tourism between Osaka and the vicinity, and Australia will expand following the opening of New Kansai International Airport later this year.

"Freeing up those officers who are currently dealing in consular and administrative work will enable them to do more analysis and commerce related work, and liaise more with authorities in Osaka," a department spokesman said.

"While Australia's emphasis is on boosting links with all of Asia, we are not forgetting our traditional friends and marketplace in Japan," he said.

Burma Opposition Leader Urges More Pressure
*OWI1105134894 Tokyo KYODO in English 1048 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—A leader of Myanmar's [Burma] suppressed National League for Democracy (NLD) has urged Japan not to renew Official Development Assistance (ODA) to his country until democracy has been fully restored.

"We call on our friends to help us bring real change to Burma by sustaining the pressure. We especially call on

our host country, Japan, not to renew ODA assistance at this time," said Win Khet, chairman of the NLD in the "liberated area" along the Thai-Myanmar border which is held by anti-government forces.

Win Khet made the remarks Tuesday [10 May] in a speech at the congress of the Socialist International in Tokyo, of which KYODO NEWS SERVICE obtained a copy Wednesday.

The manuscript quoted Win Khet as saying, "1994 is a very critical year for Burma. We may be on the verge of bringing about real political change in Burma or we may see the dictatorship succeed in legitimizing and consolidating its power."

Following almost three decades of military rule, the NLD, led by prominent dissident and Nobel Peace Prize winner Aung San Suu Kyi, won a landslide victory in the 1990 general elections.

But Myanmar's junta, the State Law and Order Restoration Council (SLORC), defied the public vote, put Aung San Suu Kyi under house arrest in Yangon [Rangoon] and announced that it would remain in power for a further five to 10 years.

Japan, Myanmar's long, largest benefactor, joined other major donor nations in suspending economic assistance in 1988 after the Army killed hundreds of pro-democracy demonstrators. But early the following year it broke ranks and decided to continue with economic assistance already pledged.

Win Khet, though, dismissed recent concessions by the military government such as cease-fire talks with ethnic rebel groups or allowing a U.S. congressman to meet with Aung San Suu Kyi as merely "cosmetic" and aiming at legitimizing the junta's regime.

At the same time Myanmar's military is building up its strength by purchasing arms from China worth 1 billion U.S. dollars, he said.

He warned against taking "token democratic reforms" as justification for cooperation with Myanmar's military government, and said that while SLORC maintains to have sought dialogue with "a negative and counterproductive" Aung San Suu Kyi, nobody actually went to see her. "If SLORC does not recognize Aung San Suu Kyi's leadership, if it will not talk to her or allow her to participate in Burma's future, there can be no real change—economic or political—in Burma," he said.

"Those who advocate 'constructive engagement' should be really constructive to the Burmese people and not to the military, by acknowledging the right of the Burmese people to choose their own government," Win Khet said.

Taiwan PC Firm Eager To Invest More in Nation

OW0905093794 Tokyo KYODO in English 0820 GMT 9 May 94

[Text] Tokyo, May 9 KYODO—The Acer Group, a leading Taiwanese personal computer maker, will boost its investments in Japan, including tie-ups with Japanese firms, the group's head said Monday [9 May].

Stan Shih, chairman of the Taipei-based group, told a press conference that the increased interest in the Japanese market reflects growing sales of its PCs here. He said possible Japanese partners in the planned alliance will be trading houses.

The group posted 400 million yen in sales in the January-March quarter this year in Japan, almost equivalent to that for the whole year of 1993. For the current business year ending in March 1995, the group expects 10,000 units of sales worth 2 billion yen.

Established in 1991, the far-flung group has bases in Asia, Europe and the United States. The Japanese unit was formed in 1988 to handle marketing.

Tokyo Plans To Provide Loan to South Africa

OW1005094594 Tokyo KYODO in English 0917 GMT 10 May 94

[Text] Tokyo, May 10 KYODO—Japan plans to provide South Africa with its first yen loan as early as this summer to help promote economic development under President Nelson Mandela, government sources said Tuesday [10 May]. The loan will fall in a range of billions of yen and its disbursement is expected after an international aid panel designates South Africa as an eligible recipient this summer, they said.

The loan will be used for projects to be picked up at the request of South Africa and will include construction of roads, ports and power plants, the sources said.

Tokyo intends to include South Africa among nations eligible for aid because it is moving toward democracy, they said.

Japan will also expand its grant-in-aid program, focusing on education facilities, technical assistance, medical support and agricultural development, they said.

In tandem with other industrial nations, Japan to date has not extended full-scale economic assistance in protest of the country's apartheid policy. But some 100 million yen has been given as grant-in-aid to support blacks since the Organization for Economic Cooperation and Development's development assistance committee allowed the assistance in 1990.

Japan and six other Group of Seven industrial nations agreed earlier this month to coordinate their backing to South Africa under its new government following the African National Congress's victory in the first all-race elections.

Hata Vows To Enhance Education on Wartime Acts

*OWI105084294 Tokyo KYODO in English 0741 GMT
11 May 94*

[Text] TOKYO, May 11 KYODO—Prime Minister Tsutomu Hata told a visitor from China on Wednesday [11 May] that Japan will broaden the teaching of history in schools to inform the younger generations about Japan's acts of aggression before and during World War II, Foreign Ministry officials said.

In a meeting with Liu Peng, the visiting president of the All-China Youth Federation, Hata was quoted as saying, "Japan must tell the generations of its offspring that such incidents (acts of aggression) occurred." The two met at his official residence.

Liu told Hata he was "surprised" at the remark by former Justice Minister Shigeto Nagano, who caused widespread anger by calling the 1937 Nanjing massacre a "fabrication." Nagano resigned Saturday and was replaced by Hiroshi Nakai.

"The remark was made by an elderly man and I know that Japanese youth does not have such a perception," Liu was quoted as saying.

In an interview with the mass-circulation daily MAINICHI SHIMBUN published May 4, Nagano said the actions of the Imperial Japanese Army was aimed at liberating Asian countries from Western colonialism.

Hata told Liu Japan "feels deep repentance" over the Nagano remarks and is determined not to repeat a war of aggression.

Fujii Denies G-7 Accord on Credit Policies

*OWI105095694 Tokyo KYODO in English 0937 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—Finance Minister Hirohisa Fujii denied Wednesday [11 May] that Group of Seven (G-7) major nations have agreed to take joint action in their credit policies. "There were no such talks at a G-7 meeting of finance ministers and central bankers in late April... [ellipses as received] or after that," Fujii told a regular press meeting.

He was referring to a report by a major Japanese daily quoting U.S. monetary officials as saying Japan, Germany and the United States agreed on concerted moves on interest rates in line with the recent joint G-7 intervention to stem volatility in currency rates. But, Fujii reiterated that G-7 nations will continue taking "appropriate, timely" action in the currency markets.

The Bank of Japan continued to take a loose stance in the money market to send the key overnight unsecured call rate down to record low levels Wednesday.

Meanwhile, the German Bundesbank is expected to cut its discount rate overnight and the U.S. Federal Reserve Board is widely speculated to raise the discount rate next week.

The Japanese and German credit easing helps the U.S. dollar rise, while the U.S. is tightening its credit to prevent inflation.

Pressed by reporters on whether his concern over the yen's rise has eased somewhat, Fujii acknowledged that the yen's rise in fact has a "deflationary impact on exporters." But he omitted using the word "concern" as he has in the past.

Fujii said he is "not pessimistic" about the economy as a whole and noted that currency rates are one of the factors.

Japan 'Ready To Become' UNSC Permanent Member

*OW0905114394 Tokyo KYODO in English 1115 GMT
9 May 94*

[Text] Tokyo, May 9 KYODO—Norwegian Prime Minister Gro Harlem Brundtland said Monday [9 May] that Japan should play a greater role in the U.N. Security Council, Foreign Ministry officials said. Brundtland made the remarks in a meeting with Japanese Foreign Minister Koji Kakizawa, the officials said.

Kakizawa told Brundtland that Japan is ready to become a permanent member of the council if recommended and that it intends to contribute as much as possible to U.N. activities, they said.

Brundtland and Kakizawa agreed that reform of the council will not be completed just by giving Japan and Germany permanent seats. They also agreed on the need to take into account the balance between regional and developing nations.

The Norwegian prime minister called on Japanese cabinet ministers to visit Norway, they said.

The 30-minute meeting was conducted in English, without interpreters, the officials said.

Brundtland is in Japan for a three-day stay until Wednesday to attend a council meeting of the Socialist International. She will meet Prime Minister Tsutomu Hata on Tuesday evening.

Government To Rescind Export Inspections Law

*OW1105134494 Tokyo KYODO in English 1309 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—The government decided Wednesday to dismantle a decades-old law requiring exports to be inspected for quality control as part of the government's deregulation policy, officials said.

The decision by the Ministry of International Trade and Industry to abolish the export inspection law follows approval earlier in the day by the Export Inspection and Design Promotion Council, an advisory panel to the minister, ministry officials said.

They said the abolishment of the law will be incorporated in a package of deregulation measures to be announced by the government by the end of next month.

The law was enacted in 1957 with the aim of improving the quality of exports and thereby promoting exports. Under the legislation, designated goods are required to pass export inspections before being shipped abroad.

Sales of Imported Vehicles Set Record for Apr
OW1005045294 Tokyo KYODO in English 0252 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Sales of imported vehicles in Japan last month surged 45.0 percent from a year earlier to 24,254 vehicles, a record for the month of April, an industry association said in a preliminary report Tuesday [10 May].

Sales of imported cars, trucks and buses also posted the sixth consecutive year-on-year rise, the Japan Automobile Importers Association said.

Passenger cars accounted for 21,856 of the imported vehicle sales, up 35.1 percent.

Sales of U.S.-made vehicles jumped 51.4 percent to 7,845, while sales of German autos grew 26.7 percent to 9,889.

Opposition Leaders Chide Hata About Speech
OW1005104094 Tokyo KYODO in English 1017 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Opposition party leaders on Tuesday chided Prime Minister Tsutomu Hata for failing to provide policy specifics in his first speech to the Diet.

Yohei Kono, president of the No. 1 opposition Liberal Democratic Party, accused Hata of trying to please everybody by avoiding specific statements on "urgent" controversial issues. Kono told reporters Hata "stopped short of commenting on how to grapple with problems that require urgent responses under the current extraordinary situation."

Tomiichi Murayama, head of the second largest opposition Social Democratic Party, told reporters Hata should

have offered a more explicit explanation on "a statement by his cabinet minister on collective security arrangements."

"The public has come to question the stand of this administration in the wake of a statement by a cabinet minister on collective security rights," Murayama said.

He was apparently referring to a recent statement by Foreign Minister Koji Kakizawa that Japan should rethink its current constitutional interpretation, taken as banning collective security arrangements, to allow Japan the right to join an offensive if an ally were attacked.

Japanese Communist Party Presidium Chairman Tetsuzo Fuwa told reporters that Hata's expression of the government's readiness to respond to a contingency on the Korean peninsula in concert with the United States and South Korea was "a dangerous declaration."

New party Sakigake [Harbinger] leader Masayoshi Take-mura said, "Although he emphasized the pacifist nature of the Constitution, it does not correspond with arguments by his cabinet ministers about the need to enact laws to deal with military contingencies or collective security rights."

Murayama Urges Snap Election Under 'Old System'

OW1105060694 Tokyo KYODO in English 0556 GMT
11 May 94

[Text] Tokyo, May 11 KYODO—The head of the second largest opposition party Wednesday [11 May] called for a snap general election for the House of Representatives under the old system of multiseat constituencies.

Social Democratic Party (SDP) chairman Tomiichi Murayama said in a speech that the government and the opposition should agree on an election for the key lower house of parliament under the old system, which is soon to be replaced with a mixture of single-seat constituencies and a proportional representation system.

Murayama said the snap election should be called on condition that ruling and opposition camps agree that its next election for the lower house will be conducted under the new system.

A government advisory body is now working on delimiting single-seat constituencies in line with a political reform package that the cabinet of former Prime Minister Morihiro Hosokawa pushed through the Diet in January.

The seven-member commission is expected to finish the task in June. But more time is necessary to enact a delimitation bill in the Diet, officials said.

The four-year term of office for members of the current 511-seat lower chamber will last through July 1997, but the prime minister can call a snap election at any time.

Murayama's call for an early election came as the latest round in the SDP's recent salvo on its former coalition partners, which are running a minority government.

Murayama, arguing the current minority-backed cabinet of Prime Minister Tsutomu Hata is on a precarious footing, said, "The only way (to secure a stable government) is to build up a solid foundation through an election." A cabinet that cannot carry out its tasks should either resign or the lower house should be dissolved to pave the way for balloting, he said.

The SDP chief also swiped at a recent series of remarks by key cabinet members that call for steps to ensure Japan's collective security or legislation to handle emergencies, such as an international crisis over North Korea's suspected nuclear arms program. He said these remarks run counter to the policy agreement among the coalition partners before they jointly formed a cabinet under Hosokawa, who resigned in April over financial improprieties.

If the Hata cabinet takes a different stance over the security and constitutional issues from the Hosokawa government, Murayama hinted the SDP may submit a no-confidence motion to the Diet.

The SDP broke ranks with the ruling coalition immediately after it helped elect Hata to succeed Hosokawa due to a row over the move among the coalition's majority components to form a new Diet bloc.

Hata lashed out at Murayama's call for an early general election, making clear he has no plan to dissolve the lower house any time soon. "Let me ask why, then, in the first place the coalition including the SDP passed the political reform bills," he told reporters. "There are undoubtedly people who don't really want to see political reform," he said.

"The coalition government is still in place, and it's not the time to dissolve the House," he said.

Shinseito Head Criticizes Move

OW1005152594 Tokyo KYODO in English 1458 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Key coalition strategist Ichiro Ozawa on Tuesday [10 May] criticized a move among opposition parties to seek an early dissolution of the House of Representatives, saying the next general election should be held under a new electoral system combining single-seat constituencies and proportional representation seats.

Ozawa, secretary general of the coalition's core party Shinseito, told a news conference it would be ridiculous

to hold an election under the current multiseat constituency system, noting that a government advisory body has been set up to delimit single-seat constituencies.

Leaders of the country's two largest political parties, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP), both of which are in the opposition, have argued for the dissolution of the lower house for a general election to be contested under the existing multiseat system.

The LDP, which has been urging the minority government of Prime Minister Tsutomu Hata to hand over power, is poised to table a no-confidence motion after the enactment of the already overdue fiscal 1994 budget, expected in a month or two.

The SDP, which quit the coalition immediately after its members voted for Hata in the Diet's prime ministerial election on April 25, has stepped up criticism against what it calls the coalition's high-handed management. SDP Chairman Tomiichi Murayama on Monday vowed to put the party on alert for a "battle" that could come at any time, hinting he is looking for an early general election.

Asked how Hata's minority government will try to survive, Ozawa said the coalition will continue efforts to acquire a majority by coming out with its policies in the Diet.

He also said that disagreement over policies caused the SDP's withdrawal from the coalition, and that the formation of a 130-member parliamentary group "kaishin" (innovation) excluding the SDP had merely provided the party with the excuse to leave the alliance.

Former Ministers Decide To Create Policy Group

OW1005045994 Tokyo KYODO in English 0438 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Three senior Liberal Democratic Party (LDP) legislators, widely dubbed the "YKK trio" by the media, decided to create a new policy study group free from faction ties, LDP sources said Tuesday [10 May].

The three vocal legislators are former Construction Minister Taku Yamazaki, former Chief Cabinet Secretary Koichi Kato and former Posts and Telecommunications Minister Junichiro Koizumi. The name, "YKK trio," is based on the initials of their family names.

The trio plans to bring together liberal legislators from both the main opposition LDP and non-LDP political parties, with an eye to the possibility of a major reconfiguration of alliances within the political community in the near future, they said.

The political community is ripe with speculation over the imminence of such restructuring if the LDP succeeds in

mustering the support of the second largest opposition Social Democratic Party in passing a no-confidence motion against the minority government of Prime Minister Tsutomu Hata through the Diet.

Yamazaki, a longtime backer of former Foreign Minister Michio Watanabe, said the new group will seek to "reform the LDP even at the risk of disbanding the party." Yamazaki also said the new group will seek to release legislators from the customary obligations and bonds of LDP factions to which they belong.

Kato said the new group will try to be the driving spirit behind deregulation and other policies.

The trio is lobbying other legislators from various factions to bolster the size of the new group to the order of 50, they said. The group will convene its first meeting early next week to decide on its formal name.

The trio has been deemed as the critics of the current LDP leadership led by LDP president Yohei Kono. Kato dismissed speculation that the new group is seeking to form an alliance with Watanabe, whose threat to splinter from the LDP plunged the party into a serious quandary last month.

Hata Unveils New Lineup of Vice Ministers

OW1005032494 Tokyo KYODO in English 0302 GMT 10 May 94

[Text] Tokyo, May 10 KYODO—Prime Minister Tsutomu Hata named 23 new parliamentary vice ministers at a cabinet meeting Tuesday [10 May] morning. Shinseito and Komeito captured six vice ministerial posts each, followed by the Japan New Party (JNP) with five, the Democratic Socialist Party (DSP) with three, the Democratic Reform Party (DRP) with two and the Liberal Party with one.

Yoneo Hirata of Komeito was named as vice minister of foreign affairs, and Noritoshi Ishida of Komeito and Kenji Kitahashi of the DSP were both appointed as vice finance ministers.

Kodo Kohata of the JNP and Toshimi Kitazawa of Shinseito were named as vice ministers of the Agriculture, Forestry and Fisheries Ministry.

Other new vice ministers include Tokunosuke Kaneko of Shinseito and Kentaro Koba of Komeito at the Ministry of International Trade and Industry, and Komeito's Junji Higashi at the Defense Agency.

Table of 'Parliamentary Strength' Reported

OW0905050994 Tokyo KYODO in English 0311 GMT 9 May 94

[Text] Tokyo, May 9 KYODO—The following is a table of parliamentary strength in both houses of the Diet following the formation of the new party Sakigake/Seiun in the House of Representatives on Monday [9 May]:

House of Representatives	House of Councillors
LDP-206	LDP-94
Kaishin (Innovation)-130	SDP-68
SDP-74	Shin Ryokufu Kai-38
Komeito-52	Komeito-24
New Party Sakigake/Seiun-18	JCP-11
JCP-15	Goken Liberal No Kai-5
New Party Mirai-5	Niin Club-5
Independents-9	Independents-7
Vacancies-2	Vacancies-0
Total-511	Total-252

(Note: Kaishin consists of members of Shinseito (62), the Japan New Party (37), the DSP (19), the Liberal Party (7) and five independent LDP defectors. New Party Sakigake/Seiun groups 15 Sakigake members and three JNP defectors. Shin Ryokufu Kai groups Shinseito (12), the Democratic Reform Party (11), the DSP (8), the JNP (4), the Sport Party (2) and an independent. The Goken Liberal No Kai consists of members who quit or were expelled from the SDP.)

Poll: Hata Cabinet Gets 47 Percent Approval

OW1105004394 Tokyo KYODO in English 2351 GMT 10 May 94

[Text] Tokyo, May 11 KYODO—The newly-launched cabinet of Prime Minister Tsutomu Hata has a 47 percent public approval rating, a sharp decrease of 24 percentage points from a poll taken just after last August's inauguration of the cabinet of his predecessor, Morihiro Hosokawa, an ASAHI SHIMBUN newspaper poll showed Wednesday [11 May]. The ASAHI said the public disapproval rate for the Hata cabinet was 32 percent.

The national daily added that the initial support rate for the Hata cabinet is 10 percentage points lower than the approval rate for the Hosokawa cabinet's last stage as scored by the ASAHI survey in February. The ASAHI said a new cabinet usually holds a higher approval rating than that for the last stage of the previous cabinet.

The newspaper conducted its nationwide survey of 3,000 eligible voters on Sunday and Monday. The response rate was 80 percent.

Only 19 percent of the respondents expected brighter political prospects with the establishment of a minority government, down 24 percentage points from the September survey last year, it said.

Regarding the next general election, 11 percent of those polled supported an immediate general election even before the Diet's passage of the government-proposed fiscal 1994 draft budget.

Twenty-three percent called for a general election under the current electoral system as soon as the Diet approves the draft budget, the ASAHI reported, while 26 percent said the general election should be conducted after the

new electoral system takes effect. Some 31 percent said an early general election is not necessary, according to the survey.

The public support rate for the Japan New Party led by former Prime Minister Hosokawa plummeted to 5 percent, a decrease of 7 percentage points from February.

The Shinseito of Prime Minister Hata gained a 14 percent of approval rating, an increase of 3 percentage points from February. [sentence as received]

The Social Democratic Party, which pulled out of the coalition, scored a 15 percent support rate, an increase of 2 percentage points from February.

The main opposition Liberal Democratic Party got a 34 percent approval rating, a slight increase of 1 percentage point from February, the ASAHI added.

Disbanding of Kaishin Parliamentary Group Urged

OW1105140994 Tokyo KYODO in English 1329 GMT
11 May 94

[Text] Tokyo, May 11 KYODO—The Japan New Party (JNP), a member of the ruling coalition, decided Wednesday [11 May] to call for the disbanding of a joint parliamentary group in the House of Representatives whose formation triggered the withdrawal of the Social Democratic Party (SDP) from the coalition, party officials said. The party led by former Prime Minister Morihiro Hosokawa reached the agreement in a meeting of executives, the officials said.

The SDP decided to walk out of the coalition on April 26 after Shinseito [Japan Renewal Party], the Democratic Socialist Party [of Japan, SDPJ] and the Liberal Party, as well as the JNP, abruptly formed the 130-legislator parliamentary group, called Kaishin (Innovation), excluding the SDP, saying the move was a breach of trust. The SDP's withdrawal forced new Prime Minister Tsutomu Hata to launch a minority government.

As to whether Hosokawa should remain the party head, the party was divided on the issue and postponed a decision, the officials said. Hosokawa announced his resignation suddenly on April 8 over financial improprieties.

Ministers Criticize Nagano for War Remarks

OW1005044194 Tokyo KYODO in English 0419 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—Cabinet ministers on Tuesday [10 May] criticized Shigeto Nagano, who was forced to resign Saturday as justice minister over his remarks that the 1937 Nanjing massacre committed by the Japanese Imperial Army was a fabrication.

Moriyoshi Sato, chief of the Hokkaido and Okinawa Development Agencies, said at a press conference after a

cabinet meeting that the administration of Prime Minister Tsutomu Hata "made the worst start. I'm ashamed of (such remarks) by our comrade. He resigned too late." Sato, like Nagano, belongs to Hata's Shinseito.

Referring to the responsibility of Hata, who appointed Nagano as justice minister, Health and Welfare Minister Keigo Ouchi defined Nagano's resignation as a dismissal, saying that discharging the justice minister settled the matter.

Transport Minister Nobuaki Futami expressed regret over the remarks by Nagano, saying he and Nagano had different perceptions of history and it was "natural" for Nagano to resign.

Nagano, 71, who assumed the post of justice minister on April 28 in the new Hata administration, in an interview May 3 with the MAINICHI SHIMBUN, one of the country's major dailies, said, "I think that the Nanjing incident was a fabrication."

Imperial Japanese Army troops slaughtered more than 300,000 Chinese civilians following the invasion of Nanjing in December 1937, according to Chinese estimates.

Japanese historians tend to cite lower estimates and some argue the mass killings were caused by troops who got out of control.

Nagano also told the MAINICHI that it was wrong to call Japan an aggressor in World War II.

His remarks brought sharp criticism from neighboring countries, especially China and South and North Korea, which were invaded by Japan before the war. Nagano was replaced on Sunday by Hiroshi Nakai, a House of Representatives lawmaker of the Democratic Socialist Party (DSP).

Nakai 'Uninvolved' in Collective Defense Debate

OW0905052994 Tokyo KYODO in English 0453 GMT
9 May 94

[Text] Tokyo, May 9 KYODO—New Justice Minister Hiroshi Nakai pledged Monday [9 May] to protect the Constitution and remain uninvolved in debates over the enactment of legislation covering emergencies and whether Japan should claim the right to collective defense. Nakai told his first press conference after assuming the ministerial post that he will not be drawn on debate over collective defense "because it is my duty to protect the Constitution and uphold law and order."

Nakai replaced Shigeto Nagano who resigned as justice minister Saturday to take responsibility for his remarks printed Wednesday in a newspaper in which he said the 1937 Nanjing massacre was a fabrication and that Japan's war with China and other countries was not an act of aggression.

Nagano is a former officer in the wartime Imperial Japanese Army and a former chief of staff of the Ground Self-Defense Force.

Asked if he thought Nagano's former military career conflicted with the constitutional principle of civilian control and the stipulation that ministers of state should be drawn from civilian ranks, Nakai said he does not think this applies to a former military officer.

"That debate existed in the late 1950s and early 1960s, but I have never heard mention of it in the Diet or anywhere else," Nakai said. "Mr. Nagano was made to take responsibility for causing trouble for the nation and the cabinet and I think he understands that."

Testimony: Hosokawa Carried Out Stock Deal

*OW1105041494 Tokyo KYODO in English 0331 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—An investment consultant testified before a Diet budget committee Wednesday [11 May] that a dubious stock transaction was carried out by former Prime Minister Morihiro Hosokawa, not his late father-in-law as claimed by Hosokawa.

At a session of the House of Councillors Budget Committee, securities consultant Shuzo Fujiki, 60, said he served as an intermediary in a transaction to purchase 300 shares of Nippon Telegraph and Telephone Corp. (NTT) in 1986 for Hosokawa through his former secretary Masatoshi Miyama and company president Yusei Kuwahata, acquaintance of both Fujiki and Hosokawa.

Fujiki, as witness, said the Hosokawa side conveyed hopes to participate in tenders on NTT shares because (Hosokawa) could provide collateral for funds to purchase the shares. Fujiki also said Hosokawa used the name of his father-in-law in the transaction.

On March 30, Fujiki told reporters that Hosokawa himself carried out the questionable stock deal involving hundreds of millions of yen, contrary to Hosokawa's insistence that the stock transaction was solely conducted by his father-in-law.

The 418 million yen loan he arranged was extended with Hosokawa's condominium in central Tokyo as collateral, Fujiki said. Hosokawa said he purchased the condominium with 100 million yen he borrowed from Sagawa Kyubin Co., a major scandal-tainted trucking firm in 1982.

Disputes over the stock deal and the 100 million yen loan caused a long delay of Diet deliberations on the state budget for fiscal 1994, which started April 1, and was partly responsible for Hosokawa's decision to resign as premier on April 25.

More on Testimony on Stock Deal

*OW1105081594 Tokyo KYODO in English 0705 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—An investment consultant, testifying before the Diet on Wednesday [11 May], described as a "lie" former Prime Minister Morihiro Hosokawa's remark that his father-in-law asked the consultant to help him buy shares in the world's largest telephone company, Nippon Telegraph and Telephone Corp. (NTT).

Shuzo Fujiki, the 60-year-old president of the Tokyo-based stock consulting firm, Random Walk, told the House of Councillors Budget Committee that the Hosokawa side asked him in 1986 to act as an intermediary in securing a huge loan to buy NTT shares. "Telling a lie is outrageous as the truth is the truth. We must not allow lies to go unchallenged," Fujiki told the session.

Fujiki said Hosokawa asked him through Yusei Kuwahata, their common acquaintance, to help secure the loan to buy the 300 NTT shares.

Kuwahata, former president of a computer information magazine, earlier told a news conference that he went to the southern Japan city of Kumamoto around August 1986 to invite Hosokawa to buy the shares during a meeting at a golf course clubhouse restaurant. "Mr. Kuwahata told me that then Kumamoto Gov. Hosokawa expressed his desire to tender his bids at a NTT share bidding, if only he can raise the (necessary) funds, as he has the collateral to put up, although he does not have the money," Fujiki said.

"Following that conversation from Mr. Kuwahata, Mr. (Masatoshi) Miyama (Hosokawa's chief financial secretary) contacted me, asking me to introduce a financial institution to lend money, as Hosokawa has collateral, but not money," he said. Fujiki said he complied with the request by introducing the Tokyo Shoken Kinyu financing company to Hosokawa and then arranging for Miyama to meet the "responsible person" of the financing company in Fujiki's presence.

After the financing deal was struck, Fujiki said, "Mr. Miyama asked the Tokyo Shoken Kinyu executive if it would allow Hosokawa to use the name of a person other than himself in borrowing the money, as Hosokawa is renowned as the Kumamoto governor."

"The senior executive replied the firm will accept it (the other person's name)," he said.

The executive made a "bold decision" to lend as much as 418 million yen to Hosokawa in view of his prestigious social standing as the Kumamoto governor despite the fact that the collateral was worth only 180 million yen, he said.

"Tokyo Shoken Kinyu would never have extended the loan if Mr. Hosokawa had been a person without any

credit worthiness," he said. He said he did not know the name of Hosokawa's father-in-law until his name was reported by the media, as the Hosokawa side proceeded with the loan deal without informing him, once the loan arrangement was made.

Fujiki's testimony contradicts Hosokawa's own earlier statement to the Diet that his late father-in-law, Shohei Ueda, and not Hosokawa himself, initiated the investment deal, asking Hosokawa for help in securing the necessary loan. Hosokawa's father-in-law died last May.

Hosokawa repeatedly told the Diet he pledged his condominium in Tokyo as collateral to take out the 418 million yen loan from a stock investment financing firm and offered the money to his father-in-law.

Hosokawa dropped his bombshell resignation announcement on April 8 to take the blame for a "fresh suspicion" on his personal finances, which he said is different from the NTT deal.

NTT listed tenders for its shares from corporate and large-lot individual investors willing to purchase more than 100 shares Oct. 4, 1986, before offering the shares for smaller-lot public subscription.

The Hosokawa side succeeded in acquiring all 300 NTT shares for which he had submitted bids on professional advice from Fujiki, the investment consultant said.

Hosokawa reportedly made a capital gain of 200 million yen by selling off 199 out of the 300 NTT shares in two installations in February and March 1987 at an average price of 1.38 million yen. The remaining 101 shares are still in possession of his wife, Kayoko Hosokawa.

According to Fujiki, Hosokawa reneged upon his promise to pay 10% of the net proceeds from any sell-offs of the NTT shares as a "consulting fee." Hosokawa also broke the promise to allow the consultant to dictate the timing of the sell-offs, he said.

Later, Miyama visited Fujiki's Tokyo office and asked for Fujiki's consent to lower the sum of the consulting fee to 10 million yen, he said, adding he accepted the request.

In a related development, the Social Democratic Party (SDP) joined the Liberal Democratic Party and the Japanese Communist Party in demanding the Diet summon Miyama as a witness to clear up the suspicions.

SDP Diet Affairs Committee Chairman Koken Nosaka told a news conference, "We cannot help demanding the summons of former Secretary Masatoshi Miyama as a witness. If necessary, we should also demand the summons of Mr. Hosokawa." (endall) 110705 macdonald
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Strong Yen Widens Rice Price Gap in 1993

OW1005092094 Tokyo KYODO in English 0909 GMT
10 May 94

[Text] Tokyo, May 10 KYODO—The strong yen has widened the price gap between domestic and imported rice in 1993, the Agriculture Ministry reported Tuesday [10 May].

The Ministry of Agriculture, Forestry and Fisheries said its estimate showed that the price of rice purchased by the government from growers was 15 times higher than that of rice imported from Thailand, compared with 11 times in the preceding year. The calculation was made at the yen's average exchange rate against the dollar for the first nine months of 1993 of 112.22 yen per dollar, up 14.43 yen over the year before, the ministry said.

The ministry said the government's purchase price of domestic rice in 1993 was unchanged from the year before at about 210,000 yen per ton, compared with about 14,000 yen for Thai rice, down 5,000 yen from the preceding year, and about 26,000 yen for U.S. rice, down 4,000 yen.

At the retail level, the average price of domestic rice for the January-October period of 1993 stood at 384 yen per kilogram, up 10 yen over the year before due to a poor harvest.

In the same period, the ministry said, the retail price of Thai rice dropped 9 yen from the year before to 48 yen per kilogram while that of U.S. rice was down 19 yen at 128 yen.

Policy Panel Urged To Revise Food Control Law

OW1005125394 Tokyo KYODO in English 1145 GMT
10 May 94

[Text] Kobe, May 10 KYODO—A government panel studying agricultural policies on Tuesday [10 May] received calls for a review of the controversial Food Control Law which regulates rice production and distribution, Farm Ministry officials said.

The Agricultural Administration Council, an advisory panel to the prime minister, held a closed-door session here Tuesday to hear views from 11 representatives of agricultural, distribution and consumer groups in western Japan, the officials said. Most attendants called for the government to make efforts toward self-sufficiency in rice production and stable supplies, while seeking a review of the Food Control Law, taking a flexible approach to rice production and sales, the officials said.

They said the representatives of agricultural cooperatives and consumer organizations urged the government to ease regulations on rice production and distribution.

The council plans to hold similar sessions in six other cities, including Sapporo and Miyazaki, before working out an interim report for the government in July.

Nikkeiren President: Jobless Increase Inevitable
*OW1105061094 Tokyo KYODO in English 0546 GMT
 11 May 94*

[Text] Tokyo, May 11 KYODO—The head of an employers' association said Wednesday [11 May] the ongoing restructuring of business operations at Japanese firms would inevitably result in a temporary increase in unemployment.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), told a news conference it is not easy to carry out corporate reorganization without reducing jobs in view of the serious business environment caused by the strong yen. He said employers have so far done their best to prevent an increase of unemployment.

The strong yen has caused a serious impact on corporate performance, particularly in the raw materials industry, he said. Nagano expressed hope that the dollar will rise to around 105 yen.

Steel Exports Rise 26.2 Percent in FY 1993
*OW0905113594 Tokyo KYODO in English 1018 GMT
 9 May 94*

[Text] Tokyo, May 9 KYODO—Japan's steel exports rose in fiscal 1993 for the third straight year, but the average export price fell below 70,000 yen per ton for the first time in 20 years amid increased competition, the Japan Iron and Steel Federation said Monday [9 May].

In the fiscal year ended March 31, the volume of steel exports grew 26.2 percent to 24.51 million metric tons, exceeding 20 million tons for the first time in five years, the federation said.

In yen terms, the average export price fell by 22,800 yen to 69,700 yen per ton as increased competition combined with the yen's appreciation put downward pressure on export prices.

Exports to China posted a 2.36-fold jump to 6.86 million tons, while those to Taiwan and South Korea climbed by 19.5 percent and 39.5 percent, respectively.

In contrast to the brisk exports to Asia, exports to the United States fell for the sixth straight year, sliding by 7.6 percent to 2.22 million tons. In dollar terms, exports increased by 10.2 percent to 15.80 billion dollars, but fell by 4.9 percent in yen terms to 1.70 trillion yen.

The federation also reported that the nation's steel imports fell by 2.2 percent in fiscal 1993 to 8.82 million tons, slipping below 10 million tons for the second consecutive year.

Securities Association Names Doi New Chairman
*OW1005125894 Tokyo KYODO in English 1234 GMT
 10 May 94*

[Text] Tokyo, May 10 KYODO—The Japan Securities Dealers Association has named Sadakane Doi, chairman of Daiwa Securities Co., as its next chairman, current association head Masaru Aratani said Tuesday [10 May]. Doi is to assume the two year-term chairmanship on July 1, Aratani told reporters.

It will be the first time since a series of stock scandals in 1991 for an official from one of the "big four" brokerage houses to head the securities industry organization. Before the scandals, involving payments of loss compensation by brokerages to big customers after the collapse of the "bubble economy," the big four—Nomura, Nikko, Yamaichi and Daiwa Securities Companies—customarily took turns to supply the association's chief.

In line with the association's self-governing rule, Doi will give up the rights to represent Daiwa, though he will remain the brokerage's chairman when he becomes the association chief.

The Finance Ministry initially wanted a full-time chairman of the association, but the association argued that limits should not be put on the post.

Giving up of the company representative rights by Doi is viewed as a compromise between the ministry and the association. The association will hold a general meeting on May 25 to change its articles so Doi can assume the association's chairmanship while remaining in his post at Daiwa.

Hata Favors Income Tax Cut, Sales Tax Hike
*OW1005064694 Tokyo KYODO in English 0606 GMT
 10 May 94*

[Text] Tokyo, May 10 KYODO—Prime Minister Toshimori Hata said Tuesday [10 May] he will continue his predecessor Morihiro Hosokawa's agenda to hike the consumption tax and cut income taxes.

He asked the tax commission to draw up "appropriate guidelines" for tax reform "based on the pillar of lessening personal income taxes and fulfilling taxation on consumption."

Hata was speaking at the start of an afternoon meeting of the commission, an advisory panel to the prime minister that is to present tax options next month for politicians to choose from. He asked the panel members to "treat the earlier request of former Prime Minister Hosokawa as my request," saying he plans to push the same package that includes "permanent income tax cuts."

Hata pledged "utmost efforts" to keep Hosokawa's vow of submitting the government's tax legislation by the end of next month and getting it through parliament this year, with "the cooperation and understanding of the various parties."

Opposition to a consumption tax hike by the Social Democratic Party was a key problem for the Hosokawa government. The socialists quit the coalition, leaving Hata to form the first minority government in nearly four decades.

In addition to the shifting the tax burden away from direct levies such as income tax toward indirect levies like the consumption tax, Hosokawa also said as prime minister that Japan's net tax burden must grow to meet the coming needs of the nation's graying society.

Business Urges Hata To Pass Budget 'Quickly'

*OW1005125594 Tokyo KYODO in English 1133 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—Business leaders urged Prime Minister Tsutomu Hata to pass the overdue fiscal 1994 budget quickly in the Diet and take measures to help small and medium-size businesses suffering from the recession.

They also separately appealed to Hata to redistrict for a new single-seat electoral system under a Diet-approved overhaul of the current multiseat electoral system.

Hata replied the tasks must be done and will draw international criticism if they are not.

The business leaders were Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), Masaru Hayami, president of the Japan Association of Corporate Executives (Keizai Doyukai) and Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry.

Hiraiwa also told Hata the government should try to keep the yen-dollar rate at an appropriate level and promote political, administrative and economic reforms.

Hayami asked Hata to follow the reform-oriented policies pursued by former Prime Minister Morihiro Hosokawa and appealed for a national election under a new electoral system after summer.

Business Leader Urges Economic Reform Progress

*OW1005050594 Tokyo KYODO in English 0454 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—A business leader urged Japanese Prime Minister Tsutomu Hata on Tuesday [10 May] to achieve progress in economic reform to ensure domestic economic recovery and a better relationship with the United States.

"Steadfast progress in economic reform is vital to a sure turnaround in the economy and improvement in the Japan-U.S. relationship," said Masaru Hayami, chairman of the Association of Corporate Executives (Keizai Doyukai), visiting Hata at his headquarters.

He called on the premier to move forward with economic reforms, including deregulation, which former Prime Minister Morihiro Hosokawa had implemented.

Hayami's comments met with approval from Hata, who said he agreed with the business leader's view completely.

Hayami also said he hoped the bill for dividing the nation into 300 single-seat electoral districts for House of Representatives elections would be enacted soon, and that efforts would be made for tax system reforms.

Finance Minister on Foreign Exchange, Economy

*OW1005033894 Tokyo KYODO in English 0317 GMT
10 May 94*

[Text] Tokyo, May 10 KYODO—Members of the Group of Seven (G-7) industrial nations will continue intervening in foreign exchange markets to stem excessive fluctuations of currency rates, Finance Minister Hirohisa Fujii said Tuesday [10 May].

Fujii, speaking at a regular press conference after a morning cabinet meeting, declined as usual to comment on exchange rate levels but said, "it has become a consensus among the (G-7) nations that recent movements were led by speculation not reflecting economic fundamentals."

G-7 financial authorities have intervened jointly in the currency markets since finance ministers and central bankers reaffirmed in late April in Washington that they would cooperate to keep exchange rates stable and reflecting fundamentals. Fujii said, "We are constantly keeping in close contact to take appropriate, timely measures to cope with unstable movements."

Concerning Japan's current account surplus, Fujii said steady implementation of the February 15.25 trillion yen stimulus package will boost domestic demand for a "meaningful" reduction.

The politically sensitive surplus topped 130 billion dollars to hit a second consecutive record in the fiscal 1993 figures released Monday. But Fujii stressed that exports declined and imports expanded in volume terms, and yen-based figures pointed to the first decline in three years.

While dismissing the need for any fresh fiscal actions, Fujii said he stressed at the cabinet meeting the importance of drawing up a bill in June and having it enacted by the end of the year for tax reform, including permanent tax cuts.

Japan promised in its March market-opening package to detail the tax reform, especially to extend the 6 trillion yen tax cuts implemented for the current fiscal year.

The minister rejected reports that the government's tax commission is considering multiple consumption tax rates as one of the options for its proposals to be issued

in June. The November report issued by the commission, an advisory panel to the prime minister, indicated such multiple rates are inappropriate, Fujii said.

The Finance Ministry is insisting a single consumption tax rate, currently at 3 percent, and a uniform rate hike to offset income tax cuts.

Referring to a monthly economic report issued by the Economic Planning Agency (EPA), Fujii said, "I don't consider it as pessimistic." The report kept its assessment unchanged from the previous month, saying the economy remains generally sluggish although some bright signs are emerging.

Fujii said, "The economy is at a delicate stage...with even experts mixed in their assessment" over recent statistics showing both good and bad signs.

Terasawa Concerned Yen Rise May Hurt Economy

OWI005031494 Tokyo KYODO in English 0259 GMT 10 May 94

[Text] Tokyo, May 10 KYODO—Japan's economic planning chief Yoshio Terasawa indicated concern Tuesday [10 May] that recent surges of the yen against the dollar could again hurt the nation's economy. A morning meeting of economic-related ministers reflected "an atmosphere that the effect from the yen's rise is extremely severe," Terasawa, director general of the Economic Planning Agency (EPA), told a regular news conference.

Terasawa declined to confirm that a monthly EPA report, delivered at the meeting, indicates an official view that the current economic slump is Japan's longest postwar downturn. The report repeated the previous month's "generally sluggish" assessment.

"It's in an extremely severe condition," with the economy very difficult to predict, he said.

The report, like others from the Finance Ministry and the Bank of Japan, reported some bright signs in such areas as personal consumption but noted continuing declines in capital spending.

The central bank, however, has recently indicated that Japan's economic decline seems to be halting. But Terasawa said the EPA has not changed its overall view or its judgment of major economic factors.

He repeatedly stressed concern over the effects of the higher yen, which pummels Japan's export-reliant economy. He said he told the morning economic ministers' meeting that rapid currency movements hurt corporate sentiment and "cannot help but have a minus effect on the economy."

Terasawa quoted Bank of Japan Governor Yasushi Mieno as telling the meeting that rapid exchange rate

movements are "undesirable" and that rates should reflect economic fundamentals.

Mieno noted the concerted dollar-boosting foreign exchange market interventions by the U.S., Japanese, German and other leading central banks in the past two weeks, according to Terasawa.

Japan will continue to take "appropriate steps at the appropriate time in close contact with" other major industrial nations, he quoted Mieno as saying.

Terasawa, who has experience on Wall Street with a major Japanese brokerage, expressed hope that concerted interventions would have "a large impact" on curbing the soaring yen. But he cited political uncertainty as a big factor in the "speculative" movements that he said have characterized recent jittery foreign exchange trading.

Until problems like Japan-U.S. trade friction are resolved, such uncertainty will continue to weigh on the market, Terasawa said.

The recent interventions, especially one led by the U.S. Federal Reserve last Wednesday, lifted the dollar from within a whisker of its postwar record low of 100.40 yen, marked in Tokyo last August.

But currency dealers wondered how effective the interventions will be and questioned Washington's commitment to supporting the dollar.

U.S. Treasury Secretary Lloyd Bentsen sharply reversed the U.S. tolerance for a high yen, saying the government does not want "an undervalued currency." Last year, U.S. officials repeatedly said the yen's rise would help curb Japan's trade surplus.

On the Japanese economy, Terasawa quoted Mieno as noting that money supply growth remains slow and that despite recent rises of longer-term market rates, overall interest rates remain "extremely low."

Current Recession 'Longest in Postwar History'

OWI005021394 Tokyo KYODO in English 0202 GMT 10 May 94

[Text] Tokyo, May 10 KYODO—Japan's economy has been in a slump for 37 straight months since May 1991, the longest in postwar history, the Economic Planning Agency (EPA) said in a monthly report Tuesday [10 May]. "The Japanese economy is going through an adjustment phase and showing an overall slump, although there are some bright signs," the EPA said.

The phrase is exactly the same as the one used the previous month when the agency noted "bright signs" of recovery for the first time in nine months. This month's report drew public attention as to whether or not the agency recognizes any major changes for the better.

Yoshio Terasawa, EPA director general, told reporters after a morning cabinet meeting, "The economy is now in a very severe state."

Meanwhile, Finance Minister Hirohisa Fujii said, "I don't think the latest EPA report is pessimistic."

In its latest report, the agency cited as a positive sign the upturn in personal expenditures, particularly household spending on durable goods such as videocassette recorders, television sets and washing machines. Other bright spots included new housing starts, which continued above 1.5 million units per month over the past several months, and corporate confidence, which appeared to have stopped deteriorating.

However, the agency said corporate earnings continued to drop, resulting in weak private-sector investment in plant and equipment.

Although some progress is seen in inventory reductions, industrial output remained lackluster, dropping from previous-year levels by a range of 3.0 to 4.4 percent per month between January and March, it added.

An agency official said that it is premature at this point to assess the economy as clearly picking up.

Industrial production in April and May is likely to decline by more than 2 percent from year-earlier levels, according to a survey of manufacturers, the official pointed out.

Personal spending could deteriorate again because the general earnings environment remained weak with relatively small increases in monthly wages and bonuses and as the employment situation continued to be difficult, he added.

North Korea

South Unification Minister's Remarks Criticized

SK1105052294 Pyongyang KCNA in English 0454
GMT 11 May 94

[“Confrontational Agitation Reversing Black and White”—KCNA headline]

[Text] Pyongyang, May 11 (KCNA)—The South Korean “unification minister” at the “coordinating meeting on the reunification and security policy” driveled that “sanctions on the North are inevitable” and “the international cooperation system” must be intensified “to increase the pressure,” alleging that the North “is delaying” a solution to the “nuclear issue” by refusing to accept the demand of the International Atomic Energy Agency [IAEA].

Denouncing this as an outrageous and disgusting hokum, an analyst of MINJU CHOSON today says:

As regards the replacement of the fuel rod at our atomic power station, we voluntarily informed the IAEA of this

plan and allowed the inspectors of the agency to observe the process of the replacement and verify that the nuclear materials are not diverted to a non-peaceful purpose.

This notwithstanding, the South Korean puppets are again crying for “sanctions” and “international cooperation system” with preposterous arguments. This is an unpardonable treacherous act motivated by the sinister intention to block a peaceful solution to the nuclear issue of the Korean peninsula and harm and stifle fellow countrymen over the “nuclear issue”.

When they linked the North’s proposal of negotiations for establishing a new peace arrangement in place of the present armistice body with the “nuclear issue”, they sought to obstruct the negotiations between the DPRK and the United States for the guarantee of peace.

The reckless remarks of the “unification minister” clearly show once again how frantically the South Korean puppets are trying to harm and stifle the North over the “nuclear issue”.

Those who commit treacheries must be removed from the nation.

ROK ‘Internationalization’ Policy Denounced

SK1105112694 Pyongyang KCNA in English 1034
GMT 11 May 94

[“‘Internationalization’ To Sell Nation’s Soul and Interests”—KCNA headline]

[Text] Pyongyang, May 11 (KCNA)—NODONG SINMUN today brands the “internationalization” hastened by the traitor Kim Yong-sam as a treacherous act to sell the nation’s interests to outside forces and further reduce South Korea to their colony and the r of rampage.

The paper in a by-lined article says:

The traitor Kim Yong-sam hurriedly announced a “strategy of internationalization” in November last year as soon as he opened the rice market. It was a crafty ruse to lull the people’s protest and criticism against his treacherous rice market opening.

He intends to curry favour with his U.S. master through his full compliance with the master’s demand and prolong his power with the backing of the master in disregard of the dignity of the nation and the interests of the people. The “internationalization” is a product of his despicable flunkie and treacherous scheme to justify the U.S. domination and plunder and prolong his remaining days under the patronage of outside forces.

The “internationalization” is aimed at bartering away the nation’s soul and interests to outside forces and reducing South Korea to an “international prostitute.”

Under the veil of "internationalization," the traitor Kim Yong-sam has removed or eased the nominal restrictions on the infiltration of foreign capital into South Korea, leaving South Korea to the tender mercy of foreign monopolies and adapting everything in South Korea to foreign fashion.

The "internationalization" scheme of the traitor is a treacherous act to induce bigger outside forces into South Korea, fatten comprador capital, extort the workers, farmers and other working people and reduce them to slaves to outside forces.

ROK President's Remarks on Reunification Viewed

SK1005094994 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 9 May 94

[Commentary by Kim Ho-sam: "The Shameless Behavior of Splittists"]

[Text] The South Korean puppets are further revealing their splittist nature. On 6 May traitor Kim Yong-sam appeared in the site celebrating the so-called workers' day. At the site, babbling that we are continuing instigation activities toward the South without renouncing a nuclear development program and that we are pointing long-range missiles at the South he clamored that the South Korean people should renounce a dreamy view on reunification.

On 7 May Yi Hong-ku, minister of the puppet unification board, held a so-called unification and security policy coordination meeting. At the meeting he clamored that it will be inevitable for the UN Security Council to impose sanctions in case we refuse to accept additional inspections, that stern countermeasures should be taken, that an international alliance system will be further strengthened, and the like. He also urged us to observe the Armistice Agreement, like a thief turning on their owner, and expressed the will to oppose a new system for guaranteeing peace that we have proposed recently.

These shameless remarks by traitor Kim Yong-sam and rascal Yi Hong-ku which reverse black and white are none other than the splittists' sophistry which makes the world's people laugh. Traitor Kim Yong-sam clamored that our missiles are aiming at them. He carries his distortion of facts too far. Who aims at whom?

Everyone knows that over 1,000 nuclear weapons deployed in South Korea today are aimed at our Republic on a continuous basis. Patriot missiles and Apache attack helicopters which were introduced from the United States recently are now deployed in the central frontline sector near the Military Demarcation Line. At the same time with the deployment of these weapons, U.S. Defense Secretary Perry came to South Korea and returned home after reaffirming on the spot the preparedness for attack by U.S. forces and the South Korean puppet army.

Such being the situation, traitor Kim Yong-sam's behavior is too shameless. What we cannot but see more seriously is that he urged the South Korean people to renounce their view on reunification, babbling that it is a dreamy one. This shows that traitor Kim Yong-sam's remarks that he would make every effort to achieve national reconciliation and reunification and to build a peaceful, reunified fatherland by uniting the divided fatherland into one are an out-and-out lie. This also shows that he is not interested in the country's reunification at all.

Traitor Kim Yong-sam is a more vicious splittist and flunkeyist nation-seller than successive military fascist dictators.

Next, as soon as he assumed the post of the puppet unification board, the rascal Yi Hong-ku held a so-called unification and security policy coordination meeting. At the meeting he clamored about sanctions against us at the UN Security Council, the international alliance system, and the like. Although he is the minister of the board, he completely revealed that he is a national traitor and splittist who, regarding the nation as an enemy, is driving the country into permanent division.

As was already reported on 3 May, answering questions raised by reporters, a Foreign Ministry spokesman said that proceeding from our consistent position to show the irreproachability [kyolbaeksong] of our nuclear activities under the special position in which we have temporarily suspended the taking effect of the withdrawal from the Nuclear Nonproliferation Treaty, we have not only decided to conduct the replacement of fuel rods this time thoroughly under the surveillance of the International Atomic Energy Agency [IAEA], but also immediately issued entry visas for the five inspection members suggested by the agency. At the same time, we have made clear that all fuel rods replaced will be placed under the control of the IAEA and that measuring them will be permitted at a time when the nuclear issue is settled in a package deal at DPRK-U.S. talks in the future.

This is an expression of our Republic's greatest generosity and sincerity. This is why the broad social opinion of the world positively appraises this proposal of ours and why it is urging the United States not to cling to pressure but to sincerely come to the table of the DPRK-U.S. talks.

This notwithstanding, Yi Hong-ku is still taking a hostile attitude toward us by clamoring about sanctions, the cooperation system, and the like. This is indeed an antinational and antireunification crime.

With regard to Yi Hong-ku's remarks that urged us to observe the Armistice Agreement while opposing our peace-guaranteeing proposal, it is not us but the United States and the South Korean puppets who has violated the Armistice Agreement. The peace in Korea has been in danger because the United States has been reinforcing its force of arms in South Korea for more than 40 years since the Armistice Agreement was signed, and because

the South Korean puppets are perpetrating the new war provocation maneuvers together with the United States.

Meanwhile, the present armistice mechanism can play no role in preventing a new war on the Korean peninsula at all. This is why we have put forward a proposal for a new system of guaranteeing peace. Nevertheless, opposing this proposal, the puppets are calling for us to observe the Armistice Agreement. This is indeed a reversed logic.

All facts mentioned above reveal once again that the South Korean authorities are vicious splittists and belligerent elements seeking only confrontation and war. These rascals will receive due stern judgment from our people without fail.

Kim Yong-sam Criticized for 'Separatist' Remarks

*SK1105051294 Pyongyang KCNA in English 0449
GMT 11 May 94*

[**"NODONG SINMUN Raps Kim Yong-sam's Separatist Outcry"—KCNA headline**]

[Text] Pyongyang, May 11 (KCNA)—The traitor Kim Yong-sam recently at a party in "Chongwadae" contended that the reunification of the country is "fantasy," "unification concept must be discarded."

Commenting on this, NODONG SINMUN today says no one but a separatist dead set against reunification can make such remarks.

The news analyst says:

It is crystal-clear that the traitor Kim Yong-sam wants a permanent division of the country and fratricidal war, not reunification and peace.

It is a never-to-be-condoned crime for him to block reunification desired by the nation and drive the chariot of permanent division for the sake of his personal ease and power.

The South Korean people have concluded once again that the reunification of the country is impossible as long as the traitor Kim Yong-sam is left alone.

For the reunification of the country, the supreme desire of the nation, the Kim Yong-sam group of separatists must be removed as early as possible.

The traitor Kim Yong-sam must look straight at the trend of the nation toward reunification, give up the anti-reunification, separatist moves, step down and face judgement by history as demanded by all people.

Catholic Group Views ROK Nuclear Plans

*SK1105050894 Pyongyang KCNA in English 0436
GMT 11 May 94*

[**"Open Apology for Nuclear Development by S. Korean Authorities Demanded"—KCNA headline**]

[Text] Pyongyang, May 11 (KCNA)—"The South Korean rulers, if they truly want to turn the Korean peninsula into a nuclear-free, peace zone, must acknowledge, though belatedly, that their heavy water reactor, multipurpose research reactor and fast breeder reactor are for developing nuclear weapons, and apologize for this at home and abroad, and take a step to scrap them," said Chang Chae-chol, chairman of the C.C. [Central Committee], the Korean Roman Catholics Association, in a statement on Tuesday.

Noting that Kim Yong-sam the traitor recently concluded an agreement with Japan on a joint nuclear development and is hastening the development of a fast breeder reactor, the statement said:

"The development of nuclear weapons in South Korea has assumed a full-fledged scale because the International Atomic Energy Agency, applying a double standard, has connived at the puppets' development of nuclear arms which has actually reached a dangerous stage, not publishing even the inspection results, while taking issue with the DPRK's nuclear facilities for a peaceful purpose.

"Not contented with the introduction of over 1,000 pieces of U.S. nuclear weapons, which have turned South Korea into the largest nuclear depot in the Far East, the Kim Yong-sam group is stepping up the development of nuclear weapons by itself. This is an unpardonable heinous anti-national crime.

"I call upon all the Roman Catholics and Catholic communities and people of conscience of the world to pay due attention to the nuclear development in South Korea and lift up voices of justice denouncing it," the statement concluded.

ROK's 9-14 May Naval Exercises Reported

*SK1105043794 Pyongyang KCNA in English 0431
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—The Kim Yong-sam puppet clique staged naval manoeuvres, an anti-aircraft and anti-warship exercise, a naval vessels-dispersing exercise, etc. in the West Sea of Korea on May 9 as part of "joint tactical exercises in the first half of the year" with the mobilization of a large-scale "naval training fleet" comprising various types of battleships, according to a radio report from Seoul.

The puppet clique plan to continue till May 14 massive military manoeuvres directed against the North on the sea and ground and in the air including a training of free mobility offensive and defensive battles and an anti-aircraft exercise in the waters of the West Sea of Korea, a joint electronic warfare exercise of the puppet navy and air force and a landing and surprise attack exercise of the puppet navy and army.

The Kim Yong-sam puppet clique, bent on confrontation and division, are driving the situation of the Korean peninsula to the brink of war by staging such military exercises one after another.

Repatriation of Korean War POW's Urged

*SK1005112394 Pyongyang KCNA in English 1041
GMT 10 May 94*

[Text] Pyongyang, May 10 (KCNA)—Kang Yong-hun, president of the South Korean puppet Red Cross, in his "Address on the World Red Cross Day" on May 9 turned down again the North's demand for the repatriation of Kim In-so and Ham Se-hwan, alleging that "they are not prisoners of war to be repatriated", a radio report from Seoul said.

This is an unreasonable attitude casting a chill on the public opinion at home and abroad calling for their repatriation.

They were taken prisoners by a belligerent party during the Korean war, while serving the People's Army and the guerrilla unit. So, they should have been sent back to the North when POWs were exchanged right after the ceasefire.

Kang Yong-hun's remarks are a far-fetched argument and a wanton violation of international law.

Still more serious is that he brought forward the issue of the return of the crew of the ship "Tongjin" who were captured when they infiltrated into the waters of the North for espionage. The issue has nothing to do with the repatriation of Kim In-so and Ham Se-hwan.

Their repatriation is an issue on POWs. So, the two issues are quite different from each other.

The South Korean puppet clique are obliged to immediately send them back to the North both from the view of the international law and humanitarianism.

The Kim Yong-sam group must immediately send them back to the North where their families and relatives are living, as required by international law and public opinion at home and abroad, instead of blocking their repatriation by raising unjustifiable conditions.

Relatives Appeal for Repatriation

*SK1105113194 Pyongyang KCNA in English 1048
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—Kim In-so's eldest daughter Kim Hwa-sim and Ham Se-hwan's sister Ham Suk-nyo wrote to the International Committee of the Red Cross, calling for a vigorous campaign to save Kim In-so and Ham Se-hwan who are now detained in South Korea after a long prison life without ideological conversion.

Kim Hwa-sim is a university teacher in Pyongyang. She was five years old when she saw her father last and is now near 50. Ham Suk-nyo, above 80, lives in Ongjin county, South Hwanghae Province.

In her letter, Kim Hwa-sim said:

"My father was arrested by the enemy while active as a guerrilla (militiaman) in South Korea during the last Korean war. He was kept in prison in South Korea for 33 years and seven months for the mere reason that he refused ideological conversion. Though released, he is not allowed to return home where his flesh and blood are waiting.

"The South Korean side's allegation that 'Kim In-so is not a prisoner of war, so cannot be repatriated,' is sophism ignoring international law on prisoners of war and contradicting reason and principle.

"The fact that my father was an unconverted long-term prisoner and he sent a letter to the international committee of the Red Cross last year, asking for help in his repatriation to the northern half of Korea, shows that he does not want to live in South Korea but earnestly hopes to return to the North where his children live.

"I ask the international committee of the Red Cross which defends human rights and regards the humanitarianism of Red Cross as its life and soul to launch an active international campaign so that my father can be returned in a short time to the northern half of the country where his family lives."

In her letter, Ham Suk-nyo said:

"My brother Ham Se-hwan who had been arrested during the war was excluded from the exchange of prisoners of war after the ceasefire. He was kept in prison for 34 years for his refusal to be converted. After his release, he is eking out a bare existence as a sick man above 60 away from home with no one to take care of him.

"Those in charge of the Red Cross in South Korea do not comply with the demand of the DPRK Red Cross society for his repatriation, alleging that he does not belong to the category of prisoners of war. I earnestly ask your committee to launch an active international campaign for his repatriation."

Yi In-mo Writes to Daughter of Kim Pyong-chu

*SK1105004194 Pyongyang KCNA in English 1511
GMT 10 May 94*

[Text] Pyongyang, May 10 (KCNA)—Ex-war correspondent of the Korean People's Army Yi In-mo who was embraced in the bosom of the DPRK on March 19, 1993, sent a letter of sympathy today to Kim Chi-hyon, the eldest daughter of Kim Pyong-chu, his old comrade-in-arms, who is suffering from a serious illness in South Korea.

Kim Pyong-chu was an old comrade-in-arms of Yi In-mo, who together with Yi fought for the reunification of the country during the fatherland liberation war (June 1950-July 1953) and Kim and his daughter looked after Yi In-mo with utmost care in South Korea.

In the letter Yi said that, reading an article by Yim Su-kyong, "the flower of reunification", carried by NODONG SINMUN, he learned that Kim Chi-hyon who is in the hospital attached to the Hanyang University for her serious illness was going to leave the hospital, worried about the doctor's fee and her younger brothers, though her illness is severe.

Yi said he still remembers the days when Kim Chi-hyon washed his face and put spoonfuls of thin rice gruel into his mouth for two months, temporarily leaving her work. "My diseases over which you were so much concerned have been completely cured like a miracle in Pyongyang and I am even making a tour in health," Yi said, and continued:

"It is the dear leader General Kim Chong-il who called me the incarnation of faith and will, me who was called by prisoner number instead of my name in prisons of South Korea, took all measures so that I could be embraced in the bosom of the DPRK, took the utmost measures for medical treatment when I returned to Pyongyang and is showing deep loving care for me."

Noting that the bright rays of the great love of Gear general Kim Chong-il have reached Kim Chi-hyon, Yi In-mo stressed: "The DPRK is now making every possible effort to bring your brothers and you who are suffering from diseases in poverty, treated coldly for the mere reason that your father was an unconverted long-term prisoner who was taken prisoner while active as a guerrilla, and to give you medical treatment and look after you".

Yi said they should fight it out with confidence, earnestly appealing to the South Korean Red Cross and other human rights organisations to help them come to the North and get medical care.

U.S. 'Double Standard' on World Issues Viewed

*SK1105104694 Pyongyang KCNA in English 1039
GMT 11 May 94*

[**"U.S. Must Not Apply Double Standard to Solution of International Issues: DPRK Foreign Ministry Spokesman"—KCNA headline**]

[Text] Pyongyang, May 11 (KCNA)—A spokesman for the DPRK Foreign Ministry answered a question put by KCNA today on the U.S. efforts to force the Arab countries to lift their economic sanctions against Israel. "We cannot but raise a question about such behaviour of the United States," he said.

"Making frequent visits to Mideast countries in late April and early May, U.S. Secretary of State Warren

Christopher put pressure on Arab countries to withdraw their economic sanctions against Israel," the spokesman noted, and went on:

"While trying to get economic sanctions lifted on Israel which is threatening peace in the Middle East with nuclear weapons, the United States is blaring that "sanctions" will be taken against the DPRK which has no nuclear weapons in actuality. This is a reversed logic and the undisguised application of double standard to the international relations.

"This contradictory act of the United States makes it plain that the 'nuclear issue' over which it is raising a hue and cry is a fiction invented by it for the sinister political aim of isolating and stifling the DPRK.

"The United States must not apply a double standard to the solution of international issues including the nuclear issue.

"The world people will approach with high vigilance the unjust act of the United States which is trying to impose its unilateral assertion on others, ignoring the stand of the parties concerned, styling itself the international police."

Arrival of American Committee on Korea Reported

*SK1105003194 Pyongyang KCNA in English 1505
GMT 10 May 94*

[Text] Pyongyang, May 10 (KCNA)—A delegation of the American Committee on Korea led by Executive Director John Swomley arrived in Pyongyang today by air.

Federation of Korean Churches Meets in U.S.

*SK1005110394 Pyongyang KCNA in English 1025
GMT 10 May 94*

[Text] Pyongyang, May 10 (KCNA)—A resolution was adopted at the 1994 meeting of Christians for Peace and Reunification of Korea held in Washington over April 19-21 under the sponsorship of the Federation of Korean Churches for Peace, Justice and Reunification.

It urged the United States to take such steps for detente as the cancellation of the deployment of Patriot missiles in South Korea and a final stop to the Team Spirit joint manoeuvres and apply a fair nuclear nonproliferation standard to all the nations so that the denuclearization of the Korean peninsula and the world may be promoted.

Noting that the issue of "nuclear inspection" of the North must be treated as part of the plan for denuclearizing the whole of the Korean peninsula, the resolution contended that it must contain the verification of the withdrawal of the U.S. nuclear weapons from South Korea and the U.S. promise not to use regional or strategic nuclear weapons and not to threaten the use of such weapons against North Korea.

The resolution stressed that the crisis of the Korean peninsula must be resolved only through diplomatic negotiation, not by threat, "sanctions" or force of arms.

Koreans in Russia Ask Withdrawal of U.S. Forces

*SK1105043394 Pyongyang KCNA in English 0423
GMT 11 May 94*

[**"Withdrawal of U.S. Forces From S. Korea Urged"—KCNA headline**]

[Text] Pyongyang, May 11 (KCNA)—Choe Yong-su, chief of the Organisation of Korean Residents in Russia, demanded the withdrawal of the U.S. Forces from South Korea in a statement supporting the appeal of the Central Committee of the Democratic Front for the Reunification of the Fatherland to the 70 million fellow countrymen to avert the danger of a nuclear war and pave the way for peace of the country and its peaceful reunification.

"The basic cause of the danger of war in Korea and national division lies in the U.S. hostile policy against the DPRK and its domination and interference in South Korea," he noted, and said: "The U.S. authorities must stop maneuvering to stifle the DPRK and encouraging the South Korean authorities and immediately withdraw from South Korea, taking along their forces and nuclear weapons."

"The danger of war created on the Korean peninsula today is an inevitable offspring of the treacherous policy of the Kim Jong-sam puppet clique which has sought only confrontation and war, discarding independence, the life and soul of the nation, and dreaming the anachronistic dream of 'unification through Northward invasion'", he stated, and said:

"The South Korean authorities blocked the progress of the DPRK-U.S. talks by deliberately breaking up the working contact for the exchange of special envoys between the North and the South and are openly agitating a war against the North, crying for 'chastisement' and 'an opportunity of unification'".

He called upon all the parties, groupings and people of broad sections in South Korea and overseas compatriots to rise up as one in the struggle to remove the treacherous forces pursuing the policy of depending on outside forces and defend the independence of the nation.

U.S. Paper on Japan's Naval Activities Cited

*SK1105053894 Pyongyang KCNA in English 0440
GMT 11 May 94*

[**"Japanese Naval 'Self-Defence Force' Brings Fleet Close to Korean Peninsula"—KCNA headline**]

[Text] Pyongyang, May 11 (KCNA)—The Japanese Naval "Self-Defence Force" is reportedly moving its fleet to Kure Port in the western part of Japan from Yokosuka Port on the Pacific Coast.

The U.S. paper DEFENSE NEWS May 9, reporting this, said that this is designed to make a thrust without difficulty on the East Sea of Korea "in case of emergency" on the Korean peninsula.

The Japan Defense Agency officials tried to find an excuse for this, saying that "part of the warships are being transferred because of a jam at Yokosuka Port", but military experts view that the transfer of the fleet was aimed at an easy access of the fleet of Japan to the East Sea waters of Korea in "the event of contingency" on the Korean peninsula, the paper said.

The paper disclosed that the Japanese Dietmen are expected to deliberate on an amendment to the "law on the Self-Defence Forces" allowing the deployment of Armed Forces on the Korean peninsula under the pretext of protecting the Japanese residents in South Korea in "the event of contingency" on the Korean peninsula.

The Japanese reactionaries are now steeped in the moves to stifle the DPRK in league with the United States over the "nuclear issue" of the DPRK, working hard to realise its design to stage a comeback to Korea.

Japanese Youth Groups Denounce U.S. 'Pressure'

*SK1005110694 Pyongyang KCNA in English 1028
GMT 10 May 94*

[Text] Tokyo, May 8 (KNS-KCNA)—Japanese young people have denounced the U.S anti-DPRK moves.

A resolution condemning the U.S. moves against the Democratic People's Republic of Korea was adopted at the Tokyo Youth Study Session for Solidarity Between Japan and Korea held on April 25.

Noting that the United States was increasing military threat and economic pressure against the DPRK and creating tension in Northeast Asia, it called for a continuous movement for the denuclearization of Northeast Asia.

On April 28, representative members of the executive committee of the Japan Youth and Students Festival for Peace and Friendship called at the U.S. Embassy in Tokyo and strongly demanded that the United States immediately decide to discontinue the Team Spirit joint manoeuvres, stop the deployment of Patriot missiles in South Korea, put an end to military exercises and provocations, threat and antagonism against the DPRK and seek a peaceful solution to the nuclear issue through dialogue.

They staged a protest in front of the South Korean puppet embassy in Tokyo.

Zimbabwean Delegation Arrives in Pyongyang
*SK1105000694 Pyongyang KCNA in English 1504
GMT 10 May 94*

[Text] Pyongyang, May 10 (KCNA)—A government delegation of the Republic of Zimbabwe headed by Minister of Home Affairs Dumiso Dabengwa arrived in Pyongyang today.

It was met at the airport by Vice-Minister of People's Armed Forces Chong Chang-yol, Vice-Minister of Public Security Hwang Chin-tae and other officials concerned.

Meets Chief of KPA General Staff
*SK1105112994 Pyongyang KCNA in English 1042
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], today met and had a friendly talk with a government delegation of the Republic of Zimbabwe headed by Dumiso Dabengwa, minister of home affairs, when it paid him a courtesy call.

Present there were Vice Minister of People's Armed Forces Chong Chang-yol and Vice Minister of Public Security Hwang Chin-tae.

Kim Il-song Sends Message to Dominica Leader
*SK1105112794 Pyongyang KCNA in English 1040
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on May 9 sent a message of greetings to Mary Eugenia Charles, prime minister of the Commonwealth of Dominica, on the latter's 75th birthday.

President Kim Il-song wished the prime minister success in the work for the prosperity of the country and health and happiness.

Foreign Media Carry Biography of Kim Il-song
*SK1105053094 Pyongyang KCNA in English 0418
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—The brief biography of the great leader President Kim Il-song was carried by the Indian magazine RASHTRIA VISHAS and papers TAMAKA DARBAR, EVENTS, SEVERA and DELHI KIGHALA, the Cambodian paper CAMBODGE, the Nigerian paper OBSERVER, the Ghanaian paper GHANA TIMES and the Cameroonian paper LA VISION.

It was also reported by the Egyptian and Angolan TVs, Radio Mozambique and the Cambodian AKP News Agency.

The Russian paper BOLSHEVIK carried the brief biography of President Kim Il-song.

Anniversary of Kim Il-song Publication Marked
*SK1105054494 Pyongyang KCNA in English 0445
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA)—A meeting was held in Pyongyang to mark the 40th anniversary of the publication of the famous work of the great leader President Kim Il-song "On the Immediate Tasks of the Workers in the Field of Transport".

President Kim Il-song published the famous work at a conference of model transport workers on May 11, 1954, 40 years ago. In the work he reviewed the successes and experiences gained by the railway transport workers during the war (June 1950-July 1953) and put forward highly important tasks to develop railway transport after the ceasefire.

Yi Yong-mu, chairman of the Transport Commission, in his report said the great leader's work served as an inspiring banner in powerfully arousing all the transport workers to performing shining feats again in the postwar rehabilitation and construction in the same spirit and stamina as was displayed in the wartime.

The great leader made sure that May 11, 1954, was set as the day of railway workers, which marked an occasion in bringing about an epoch-making turn in the development of railway transport, and has shown deep trust and loving care to railway transport workers, he said.

He stressed that the dear leader Comrade Kim Chong-il set forth a policy of making revolution in transport and led the whole party, the whole country and the entire people to give a powerful assistance to the railway transport so as to further strengthen the material and technical foundations of railways and thereby effected a new revolutionary upswing in the railway transport.

He called upon all the railway transport workers to work with the conviction of sure victory and firm will in the same revolutionary spirit of self-reliance and fortitude as was displayed by the transport workers during the war and achieve brilliant success in the fulfilment of the first year tasks of the period of adjustment to add lustre to the Korean-style socialism centred on the popular masses.

Kim Chong-il Writing on Party Cells Hailed
*SK1005110994 Pyongyang KCNA in English 1037
GMT 10 May 94*

[“Loyal Party Cell Movement”—KCNA headline]

[Text] Pyongyang, May 10 (KCNA)—NODONG SINMUN today describes the dear leader Comrade Kim Chong-il's historic work "Let Us Strengthen Party Cells" as a highly important guideline in strengthening the party cells as required by the revolution in its new, higher stage of development, immensely increasing the fighting efficiency of the Workers' Party of Korea and effecting a revolutionary upswing in socialist construction.

The great leader Comrade Kim Il-song is quoted as saying:

"After the training course held at the proposal of the Central Committee of the party for the party cell secretaries from all parts of the country in 1991, a vigorous movement was launched to create loyal party cells throughout the whole party under the slogan, 'Let us make all the party cells loyal cells', and their militant function and role have been enhanced as never before."

Comrade Kim Chong-il's work "Let us strengthen party cells" fully encompasses the principles in making all party cells remain unfailingly loyal to the party and the leader, ranging from proper party life, guidance and work with the masses to the enhancement of the role of party cell secretaries.

The paper says in a by-lined article:

The loyal party cell movement has been waged vigorously throughout the party over the last three years. As a result, a new change has taken place in the ideological and moral traits of our party members, the singlehearted unity of the leader, the party and the masses further consolidated and a constant innovation and upswing effected in socialist construction.

Our party members think they can neither live nor make revolution apart from the embrace of the dear leader, and they are all determined to become vanguard fighters and rifles and bombs to defend the party and the leader with their lives.

Amid the vigorous loyal party cell movement over the last three years, tens of thousands of party cell members wrote letters pledging loyalty to the dear leader, and he replied to the members of a many party cells.

In the course of making loyal party cells, our party members' revolutionary spirit of absolutizing and unconditionally implementing the party policies has risen beyond comparison.

Today the entire party members and other working people are constantly working new miracles and performing feats in all sectors of socialist construction, with the firm belief that their leader, their party, their chuch'e idea and their socialism are the best.

Kim Chong-il Thanks Soldiers for Helping People

SK1105041494 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 May 94

[Text] Comrade Kim Chong-il, supreme commander of the Korea People's Army [KPA], sent messages of thanks to soldiers of the KPA unit to which Comrade Han Chae-sun belongs, soldiers and workers of the unit to which Comrade Na Ui-ping belongs, soldiers of the unit to which Comrade Kim Chan-yong belongs, and soldiers and employees of a Korea People's Security Forces unit to which Comrade Kim Chi-tok belongs, for being good examples for army-people relations.

Soldiers of the unit to which Comrade Han Chae-sun belongs have actively supported working people who accelerated socialist construction. Recently, they helped construct a bridge and a county cultural hall, road expansion works, and transported large quantities of cargo including farming materials.

Soldiers and workers of the unit to which Comrade Na Ui-ping belongs sent tens of thousands of watermelons that were grown with great care in green houses, to Pyongyang citizens who were celebrating the April festival.

On many occasions, soldiers of the unit to which Comrade Kim Chan-yong belongs, transported hundreds of tonnes of materials needed in people's lives to places 100-ri away.

Soldiers and employees of the unit to which Comrade Kim Chi-tok belongs encouraged the employees of a smeltery station in their struggle to increase steel production by sending them large quantities of foods they produced with the revolutionary spirit of self-reliance and fortitude.

Meetings to deliver the messages of thanks from KPA Supreme Commander Comrade Kim Chong-il were held in respective units. During the meetings, the messages of thanks from the comrade supreme commander were delivered amid the participants' enthusiastic applause.

There were also discussions to show their resolve. The meetings adopted letters of pledge to the dear leader of our party and the people and the KPA Supreme Commander Comrade Kim Chong-il.

Arming People With Revolutionary Tradition Urged

SK1105112394 Pyongyang KCNA in English 1029 GMT 11 May 94

[“NODONG SINMUN Calls For Arming With Revolutionary Traditions of Workers' Party of Korea”—KCNA headline]

[Text] Pyongyang, May 11 (KCNA)—An editorial of NODONG SINMUN today calls for firmly arming the people with the party's revolutionary traditions.

Noting that arming with and inheriting the revolutionary traditions is an important work related to the prospect of the party and the socialist cause, the editorial urges deepening the work in response to the demand of the developing reality.

The editorial goes on:

Firmly arming with the revolutionary traditions of the party is an important requirement in consolidating the singlehearted unity of the party and the revolutionary ranks from generation to generation and achieving a new revolutionary upsurge in socialist construction.

The revolutionary traditions of the party is a valuable revolutionary wealth gained in the course of the growth of the ranks of singlehearted unity and their strengthening. In order to further strengthen the singlehearted unity of the whole party, all the people and the entire Army around the dear leader Comrade Kim Chong-il, the traditions of the unity and cohesion of kinship between the leader and the soldiers and the leader and the people must be fully inherited.

Arming with the party's revolutionary traditions is an important demand in frustrating the malicious anti-socialist moves of the imperialists and defending the precious gains of our revolution to the end.

The revolutionary traditions of our party were established in the course of an arduous struggle without precedent against the atrocious imperialist aggressors armed to the teeth.

The traditions run through with the indomitable fighting spirit, revolutionary optimism, staunch spirit of anti-imperialist struggle and noble spirit of patriotism are valuable ideological and moral wealth of the Korean people in driving back the counter-revolutionary offensive of the enemies and upholding the banner of socialism.

The editorial stresses the need to develop in depth the work for arming the people with the revolutionary traditions.

'Steady Increase' in Coal Output Reported
*SK1105104294 Pyongyang KCNA in English 1019
GMT 11 May 94*

[Text] Pyongyang, May 11 (KCNA) - Coal output is on a steady increase in Korea.

According to data available, the coal mines of the country have increased daily tunnelling 1.2 times and Koal output 1.3 times as against the corresponding period last year.

The Anju and Sunchon area coal complexes, which hold big shares of the nation's coal production, have topped their daily assignments by 20-30 percent in capital and preparatory tunnelling and slope pit tunnelling and 20 percent in coal output in the latest week.

The South Hamgyong provincial area coal complex has introduced a new method of blasting to create new norms and records one after another in tunnelling.

The Kowon coal mine has increased the amount of tunnelling 30 percent above the same period last year, while increasing the capacity of reserve cutting faces 1.4 times with the same equipment, materials and workforce.

Coal mines in Kaechon, Tokchon, Pukchang, Onsong, Saeppyl and Myongchon areas are now overfulfilling their daily assignments through a mass technical innovation movement.

South Korea

Foreign Ministry Seeks Explanation on Japan's Plutonium

*SK1105025994 Seoul YONHAP in English 0232 GMT
11 May 94*

[Text] Seoul, May 11 (YONHAP)—The Seoul government sought more information on the discovery of 70 kg of plutonium that is not registered with the International Atomic Energy Agency (IAEA) at a Japanese nuclear fuel plant, and is prepared for "necessary measures" once details are revealed, a Foreign Ministry official said Wednesday.

The ministry instructed the embassy in Tokyo to find out more about the discovery, especially how such a large quantity of plutonium escaped past IAEA inspections, the official said on condition of anonymity.

The plutonium is enough to produce nine nuclear bombs, the official pointed out.

He said he believes the plutonium was left in plant facilities during the reprocessing cycle.

IAEA Sends Letter to DPRK Urging Inspections
*SK1105020694 Seoul YONHAP in English 0141 GMT
11 May 94*

[Text] Seoul, May 11 (YONHAP)—The International Atomic Energy Agency (IAEA) announced Tuesday that it will send inspectors "in the next few days" to North Korea to complete monitoring activities begun in March.

Dispatch of the inspectors is conditioned on North Korea delaying the removal of fuel rods from its 5-megawatt reactor, according to a letter from IAEA Director-General Hans Blix addressed to North Korean Foreign Minister Kim Yong-nam.

The agency invited North Korea to send a delegation of experts to Vienna to discuss the inspection timetable.

Blix said he hopes the IAEA and the delegation can negotiate the necessary inspection process for the changing of the fuel rods.

The director-general emphasized in the letter that the rods must remain closed under IAEA seals after they are randomly selected, and various measurements of the rods should be conducted late this year, officials said.

The letter offers hope of a breakthrough in the nuclear impasse since the IAEA proposal, although it carries a condition, leaves aside for now the biggest stumbling block to an inspection agreement.

The IAEA inspection team, with entry visas to North Korea already in hand, would conduct basic checks such as replacing batteries and film in monitoring cameras as well as additional inspections of facilities that were barred to the inspectors during their last visit in March.

Blix wrote to Kim that the team would go to Pyongyang "in the next few days."

North Korea and the IAEA have been deadlocked over the inspections, with Pyongyang refusing random collection and measurement of the fuel rods as demanded by the agency.

Blix's latest proposal cautiously sidesteps this stumbling block by recommending that North Korea delay the refueling for now so that his agency can get on with other inspection activities first.

Officials here predicted that North Korea will accept this proposal since it meets the requirements for a third round of much-wanted high-level dialogue with the United States.

This glimmer of hope comes just days before Blix is to go before the UN Security Council with a report on the status of the North Korean nuclear row.

Government To Support PRC Bid for GATT Membership

SK1105074894 Seoul YONHAP in English 0703 GMT 11 May 94

[Text] Seoul, May 11 (YONHAP)—South Korea threw its support behind China's admission to the General Agreement on Tariffs and Trade (GATT) Wednesday but emphasized that Beijing's trade laws should be made compatible with those of the GATT.

Beijing, on the other hand, asked Seoul to lift adjustment tariffs on agricultural products imported from China and for sufficient advance warning and negotiation before anti-dumping duties are slapped on Chinese farm goods.

Seoul and Beijing sat down for a second day of working-level trade talks here led by Chong Ui-yong, director-general for international trade for the South Korean side, and Shi Weisan, director-general for Asian affairs at the Chinese Foreign Trade and Economic Cooperation Ministry.

Seoul supported Beijing's bid to become a GATT member while noting that China should conform to GATT rules on trade. Officials here said Seoul placed special emphasis on China's lowering of customs duties.

Seoul asked Beijing to provide information on construction projects and to strengthen inspection of foodstuff exports, to expedite completion of the Korea business center and to allow more Korea Trade Promotion Corp. (KOTRA) offices in China.

Seoul made it a point of demanding that China open its distribution market, a preliminary step to individual market opening.

Bilateral trade totaled 9.1 billion U.S. dollars last year, with Korea posting a 1.2-billion-dollar surplus in direct exchanges: The surplus is an even larger 3.3 billion dollars when indirect trade via third countries such as Hong Kong is included.

Officials predicted that two-way trade will increase to 28 billion dollars by 1997 and to 50 billion dollars by the year 2000.

Beijing showed keen interest in South Korea's agricultural market opening after conclusion of the Uruguay Round, Seoul officials said.

It specifically asked Seoul to leave room for ample negotiations if any possibility of anti-dumping charges arises.

The next round of working-level talks is scheduled for the first half of next year in Beijing.

Russia Reportedly Threatens About-Face on Loggers

SK1105121094 Seoul YONHAP in English 1141 GMT 11 May 94

[Text] Moscow, May 11 (YONHAP)—Russia threatens to reconsider its policy of cooperating with South Korea over the North Korean loggers' issue if South Korea tries to politically use the question or an overheated atmosphere keeps going in South Korea over the loggers' issue as now.

Sources at the Russian Foreign Ministry said on Tuesday that if such a trend goes on in South Korea, Russia may totally reconsider its basic stand toward the question.

Russia earlier gave the word that it would cooperate with South Korea in resettling in South Korea those North Korean loggers who remain stranded in Russia after escaping from North Korea-run logging yards in Siberia.

The sources said the recent series of South Korean press reports on North Korean loggers were not factual and, besides, the Russian Government has been placed in a highly awkward position at home and abroad due to such reports.

"We have invited the South Korean Government's attention to this aspect several times in the past," they said.

The sources said Russia told Seoul that if South Korea, through its press, continues to raise clamor about the loggers issue, Russia may make an aboutface in its basic stand over the loggers' resettlement in South Korea.

An atmosphere, they said, is being fostered among Russia's security organizations for a change in Russia's policy over the loggers.

"Because of such an air, inter-office talks on procedural matters related to the loggers' resettlement in South Korea are having a hard going," they added.

Russian experts in Korean affairs, too, said the Russian Government is highly dissatisfied with the way the South Korean Government handles the loggers' issue.

They did not rule out the danger that after President Kim Yong-sam's visit to Russia, South Korea-Russia relations may be dragged into a delicate current.

"It is possible that an extremely small number of North Korean loggers could be sent to South Korea in a symbolic gesture before President Kim's visit to Moscow," they said.

"But, if an overheated atmosphere is created in South Korea by giving, for instance, a hero's welcome to the loggers to the detriment of Russia's position, there would possibly be no further flight of loggers to South Korea."

Meanwhile, those North Korean loggers stranded in Russia have cut off their contacts with the South Korean Embassy in Moscow following Seoul's announcement of a policy to accept them.

It is believed that some of the loggers might have been arrested by North Korean secret agents.

Ministries Agree To Adopt Measures for Loggers

SK1105021294 Seoul YONHAP in English 0130 GMT
11 May 94

[Text] Seoul, May 11 (YONHAP)—The government will adopt a set of measures for North Korean loggers in Russia seeking refuge and settlement in South Korea.

The decision was made at a working-level meeting of related government ministries and agencies, including the National Unification Board, the Economic Planning Board, the Foreign, Home, Justice, Labor, and Information Ministries, the Agency for National Security Planning and the National Police Agency, presided over by the chief assistant to the prime minister for administrative coordination, Kim Si-hyong, on Tuesday.

Under the measures, the North Korean defectors protection law enacted in June last year will be flexibly implemented, while programs to help North Korean loggers settle in the South as soon as possible will be developed.

These programs will include job training and placement, housing assistance and security steps to ensure their safety.

In addition, civic organizations such as religious and charity groups will be encouraged to stage fund-raising campaigns for North Korean loggers arriving in the South.

The government will hold two or three more working-level meetings to finalize the measures, an official said.

For the 10 or so North Korean loggers expected to arrive in the South soon as negotiations with the Russian Government are almost completed, Seoul will provide job training to aid their early settlement in the South, officials said.

The South Korean Mission in Moscow has formed a task force to negotiate with the Russian Government on legal procedures for North Korean loggers traveling to the South.

Moscow, considering its relations with Pyongyang, has not yet set a policy on North Korean loggers seeking refuge in South Korea, an official said.

Defense Minister Discusses DPRK, Other Issues

SK1105094494 Seoul KBS-1 Television Network in
Korean 1245 GMT 10 May 94

[Interview with ROK Defense Minister Yi Pyong-tae by senior KBS reporter Yi Yong-il and KBS social affairs reporter Pak Chan-uk at the KBS-1 Television studio in Seoul on the "News Focus" program; date not given—recorded]

[Text] [Reporter Yi Yong-il] How are you, Mr. Minister. I understand that you recently visited Japan, Russia, and Germany and returned home last week. Will you explain the results of your visit to these countries?

[Defense Minister Yi] As you mentioned, I visited Japan, Russia, and Germany for 10 days from 25 April to 5 May. The results of my visit can be summarized into the following three points. First, my visit to Russia was the first occasion for an ROK defense minister to visit Russia. As you know, the Russian Federation is the successor to the former Soviet Union, and the treaty for friendship and mutual assistance it concluded with North Korea is still valid.

My talks with the Russian defense minister were ultimately aimed at discussing measures for preventing North Korea's erroneous judgment and for deterring its provocation. I am not certain whether it is an appropriate hypothesis or not, but suppose that the minister of the People's Armed Forces of North Korea visits Washington and meets with U.S. Defense Secretary Perry, and they reach an agreement on a certain issue and sign an accord, I would certainly be uncomfortable. My talks with the Russian defense minister to exchange views on issues pertaining to security in Northeast Asia and the world were primarily designed to seek agreement on measures to prevent North Korean misjudgment and provocation.

Second, as you know, the most urgent issue at present is the North Korean nuclear problem. Our stand toward this issue is just. In other words, we maintain that North Korea must return to the Nuclear Nonproliferation Treaty [NPT] system at an early date for a solution to the problem. North Korea must also show the transparency of its nuclear issue. For this, it should allow complete

inspections of the International Atomic Energy Agency [IAEA] and mutual inspections between North and South Korea so that the transparency of the nuclear problem can be displayed to the entire world.

Meeting with the defense ministers of these three countries, I noticed that they shared the completely same view on this issue. In particular, my Japanese counterpart stressed that the North Korean nuclear problem is not only the problem of the ROK but also that of his own country, and Germany also has a similar view.

Third, my visit can be reviewed based on working-level exchanges. Military exchanges can be categorized into two parts; first is manpower exchange and second is material exchange. We agreed to expand manpower exchanges. In other words, we agreed that by giving opportunities to core members of each country's Armed Forces to visit the other countries, we should encourage them to have a good understanding of the development of the military science and military theories of the other countries. This can be described as part of the results of my visit.

I would like to emphasize to the people at this point that the defense and security of the ROK assumes the ROK-U.S. security system as its main axis. Therefore, my recent visits to these countries do not mean an alienation [sooe] from or neglect of security relations with the United States.

[Reporter Yi] Reporter Pak, as you know, North Korea unilaterally informed the UN Forces that it will withdraw from the Military Armistice Commission [MAC] in Panmunjom and will withdraw the Polish mission from the Neutral Nations Supervisory Commission. As a result, people suspect the true intention hidden in its abrupt act. Will you tell us about how the recent North Korean moves have been reported by the news media?

[Reporter Pak] Yes. Although it can be hardly described as a strange act, North Korea has certainly shown abnormal acts one after another from some time ago, thus straining the position of our side. North Korea began to show such an act on 28 April. In a Foreign Ministry statement that day, North Korea abruptly proposed to the U.S. side that the present Armistice Agreement be replaced with a peace agreement in order to prevent a war from occurring on the Korean peninsula. Such an abrupt act by North Korea continued on the next day, too.

Colonel Kim Hyon-ki, senior secretary of the North Korean side of the MAC, proposed to Colonel Chilton of the U.S. Army, senior secretary of the UN Forces side of the MAC, to meet him as a representative of the U.S. Army, not as a representative of the MAC.

Needless to say, the U.S. Army, in a reply message, stressed that it refuses the North Korean side's proposal stressing that the North Korean demand violates the Armistice Agreement.

Nevertheless, North Korea soon sent a unilateral message that it will withdraw from the MAC and that it will also withdraw the Polish mission, a North Korean side member country of the Neutral Nations Supervisory Commission.

[Reporter Yi] Was it true, reporter Pak, that the North Korean side deployed armed soldiers within Panmunjom?

[Reporter Pak] Yes, that is true. It was the afternoon of that day. While shifting the guards in the joint security area at Panmunjom, the North Korean side brought in this area about 40 soldiers who were armed with individual weapons including rifles and helmets. The Armistice Agreement stipulates that officers may carry out their mission by carrying a pistol but soldiers are not permitted to arm themselves. According to the UN Forces Command, this was the first time since the incident of the brutal slaughter of American soldiers with axes took place in 1976.

On the afternoon of 30 April, North Korea staged a special air exercise. North Korea had about 20 fighter planes take off that day and stage an exercise of attacking simulated enemy planes. In addition, the North Korean planes flew toward the South farther than during the regular exercise, and approached the area 27 kilometers north of the armistice line, which is designated by our Army as the last security boundary line, thus making our Army tense.

Because of this situation, our home ministry requested each broadcasting station, including KBS, to stand by for emergency broadcast. As a result, a very strained situation was created, just for a while.

[Reporter Yi] Mr. Minister, I believe that you have received a series of reports on such moves by North Korea, as reporter Pak explained. How do you observe these situations and how our Army coped with them?

[Defense Minister Yi] I will add some explanation on the background. The situation North Korea is facing today is, in a nutshell, that North Korea is suffering three kinds of hardships. These are, as we all know well, economic difficulties, shortages of food and oil, and international isolation. The communist and socialist forces who supported North Korea in the past have all disappeared. Third, the hardship of decision making. If North Korea is fully opened, its present social system can hardly be maintained and if it does not open itself, it will continuously suffer its present economic difficulties. Thus, North Korea is faced with the pain of making a decision. In order for North Korea to resolve these triple hardships, it is using the nuclear card. In other words, with this nuclear card, it is trying to evade international isolation, to gain some economic assistance, and to maintain the survival of its political system.

Each of these situations, pointed out by reporter Pak earlier, are psychological tactics to be implemented by using the nuclear card. What has appeared clearly in

North Korea's attempting to overcome such pains by using the nuclear card is its intention to isolate the ROK. In other words, North Korea is persistently trying to directly contact the United States and isolate the ROK. Therefore, all the situations that took place recently can be regarded as a move to isolate our ROK from joining in the resolution of the problems. However, we need not be embarrassed by such a psychological trick and strategy, if I may define it as such.

As defense minister, I am thoroughly aware of what is happening in North Korea, including the movement of troops, material, and equipment, as well as the type of exercises and other things. I regret that I cannot tell you all of them because they are military secrets. All this comes to my attention through the joint 24-hour intelligence surveillance system between the ROK and the United States.

In conclusion, I would like to point out that although North Korea is resorting to psychological tactics, it has no intention to trigger systematic provocations. Even if North Korea embarks on a systematic provocation, I will notice it immediately.

[Reporter Yi] What is the present status of the issue of resuming the Team Spirit exercise?

[Defense Minister Yi] I will briefly explain first about the nature of the Team Spirit exercise. It would be the 18th holding of the exercise if this year's Team Spirit exercise was held. This exercise is purely defensive with no offensive nature. If a nation has an army, it should conduct training for its army. It is quite natural.

However, with a view to joining the nation's great strategy for a solution to the North Korean nuclear problem, we have postponed four times under two conditions. During talks with U.S. Defense Secretary Perry who visited our country last month, we agreed to resume the Team Spirit exercise in November if positive progress is not seen in resolving the North Korean nuclear problem. There is no change in our position.

[Reporter Yi] Let us direct our attention, reporter Pak, to the internal affairs of our Army. Accidental discharges of weapons and other accidents occurred in succession recently in the Army. What do you think the reason for this is?

[Reporter Pak] As you pointed out, various accidents, including accidental discharges, have taken place in the Army recently one after another. On 3 May, a college student participating in reserve forces' training was killed by a bullet fired from an M-16 rifle, and last Saturday, four days later, three civilians were severely injured by the accidental firing of a mortar shell in the mortar firing range. Besides, three soldiers who were repairing an iron fence were killed by a mine explosion. The problem is that none of these accidents were clearly explained and revealed.

It is only 10 months ago that some 20 officers and men of the active and reserve forces were killed by the explosion of an artillery shell at the artillery firing range in Yonchon, Kyonggi Province. Another accident of an artillery shell landing in the playground of a high school followed late last year. Each time, the military authorities repeatedly stated that they would do their utmost to prevent further accidents. But their statements resulted only in the repetition of accidents. In view of proper weapons management being the basic safety principle in the Army, the recent accidents involving weaponry arouse the people's concern with the possible easy-going attitude of the Army.

[Reporter Yi] People are worried that such accidents may be an outcome of relaxed military discipline. Needless to say, the people trust and love the Army. However, viewing the accident at the reserve forces training site, the people suspect that the military might have attempted to conceal or not reveal the complete truth about the accident. What is your plan to prevent further accidents, including accidental discharges of weapons, Mr. Minister?

[Defense Minister Yi] I, as defense minister, want to ask the pardon of the people. At the same time, I express sincere condolences to those who were victimized in the recent accidents, as well as to their bereaved families.

I would like to point out at this point that the military and police are conducting a joint investigation of the accident. Based on the result of the investigation, I will thoroughly call to account those responsible for the accident and will see to it that appropriate follow-up actions are taken.

One thing for which I seek the people's understanding is that the Army is a group of young men who live together while handling various dangerous equipment and materials. Statistics from the accidents that have occurred over the past 10 years show a noticeable reduction in overall accidents. I will see to it that military discipline be further tightened among soldiers and those concerned.

[Reporter Yi] I hope that the military will continually enjoy the people's love and trust. Thank you, Mr. Minister, for joining us despite your busy schedule.

Commentary Sees Peace Treaty as N-S Issue
SK1105102994 Seoul TONG-A ILBO in Korean 10
May 94 p 5

[Commentary by TONG-A ILBO Executive Director Nam Si-uk: "The Peace Treaty Offensive and the Position To Cope With It"]

[Text] There is something that we should take into consideration when discussing the peace treaty issue raised by North Korea. It is the Geneva peace talks held in April 1954.

The Geneva talks were held 40 years ago and have almost been forgotten. It is strange that even experts have no particular interest in the talks. It is necessary, however, to review the talks to correctly understand and properly cope with the peace treaty issue between North Korea and the United States.

The Geneva peace talks were held as a step following the conclusion of the Korean Armistice Agreement signed in July 1953. The Armistice Agreement stipulates that representatives of countries concerned should hold political talks within three months after the effectuation of the agreement to discuss the withdrawal of all foreign troops from the Korean peninsula and a peaceful method to resolve the Korean issue and to conclude a proper treaty that will replace the Armistice Agreement. Since they discussed not only the Korean peninsula issue but also the peace issue on the Indo-Chinese peninsula at that time, the meeting was called the Geneva Far East Peace Talks.

Present at discussions on the Korean issue in Geneva were North Korea, the former Soviet Union, China, and the 16 member-states of the United Nations, including Britain and France, that participated in the Korean war. In the beginning of the talks, Britain took the lead in discussions by presenting five principles for Korean reunification under the supervision of the United Nations. Corresponding to this, the ROK put forward 14 principles in a proposal that the UN troops be withdrawn from the Korean peninsula after the ROK has satisfactory results from free elections under UN supervision. The Soviet Union, however, presented a five-point resolution urging all foreign troops to be withdrawn first. North Korea put forward a six-point resolution demanding the establishment of an all-Korean committee after the withdrawal of all foreign troops. Because of such differences in opinion, the discussion on the Korean issue was ruptured about two months after it began. Eventually, they failed to reach agreements on the method of reunification and the method of concluding a peace treaty.

This Geneva meeting shows the following three facts: First, the Geneva meeting has verified the stark fact that the ROK is a party concerned with the Korean war armistice system. Despite this fact, North Korea has used tactics to exclude the ROK from the Military Armistice Commission [MAC] under the pretext that the ROK is not a signatory of the Armistice Agreement. It has not attended MAC meetings since the UN chief delegate of the MAC was recently replaced by an ROK Army officer. Now, it is even trying to paralyze the function of the MAC by withdrawing its delegates from the MAC.

North Korea's insistence that a certain country is a signatory of the Armistice Agreement and another is not is nothing but North Korea's propaganda because those who signed the Armistice Agreement were not countries, but were instead UN troops, North Korean troops, and

the commander of the Chinese People's Volunteers. (There are many Koreans who believe North Korea's false insistence is correct.)

Second, the peace treaty issue should be discussed by all countries concerned with the war, as was so in Geneva. North Korea, however, has insisted on concluding a peace treaty only with the United States. It took no regard of the ROK. The South-North agreement was concluded in December 1991, but North Korea has not observed it. Article 5 of the South-North agreement stipulates that South and North Korea should make joint efforts to replace the present cease-fire with a "peace state" and should abide by the Armistice Agreement until it is replaced with a peace treaty.

Third, although we can help facilitate the holding of North Korea-U.S. talks and further the establishment of North Korea-U.S. diplomatic ties to induce the opening of North Korea, it is wrong for us to agree that North Korea and the United States hold talks over the nuclear issue and discuss the peace treaty issue. North Korea's insistence on discussing the nuclear issue only with the United States is originally absurd. It seems that North Korea will certainly propose the conclusion of a peace treaty when the third round of North Korea-U.S. talks are held. The U.S. Departments of Defense and State have different positions on this.

U.S. Defense Secretary William Perry said that it is impossible to conclude a peace treaty, but Assistant Secretary of State Robert Gallucci said everything can be discussed in the third round of talks with North Korea. We cannot figure out what on earth the U.S. position is. The ROK position on this is that the peace treaty issue should be discussed with the ROK first since it is a party concerned, however, the nuclear issue should be resolved first at the present stage.

As shown by the Geneva talks, a peace treaty is, in nature, a treaty that parties concerned with a war sign to put an end to the war and restore peace. It is different from an ordinary agreement between countries on friendship and cooperation because it is a treaty for post-war arrangements. Accordingly, the precedent of the Geneva peace talks should be respected in handling the peace treaty issue for post-Korean War arrangements.

By the way, these days a peace treaty is not always required for normalizing diplomatic relations between countries concerned with a war. For example, Japan and the former Soviet Union restored their diplomatic relations simply by issuing a joint declaration on it, but have not yet concluded a peace treaty. The United States and China signed a peace treaty four years after the establishment of diplomatic ties, and Japan and China did the same. Accordingly, the conclusion of a peace treaty is not necessary for establishing diplomatic relations between North Korea and the United States. North Korea's hidden purpose is to raise the issue of withdrawing U.S. forces in Korea.

The government must invariably push ahead with the policy that the peace treaty issue should be resolved by South and North Korea in accordance with the South-North agreement, not by North Korea and the United States, and must try to convince the United States to agree to the policy. At the same time, the government should make efforts to let the people know the nature of the peace treaty issue. Some naive young people stand inwardly on the North Korean side, wondering what is wrong with the North Korean proposal for replacing the Armistice Agreement with a peace treaty with the United States. The government has the responsibility to help create a righteous public opinion in the country, doesn't it?

JCS May Put ROK-US Operations in Writing

SK1105031294 Seoul CHOSON ILBO in Korean 9 May 94 p 2

[By Yu Yong-won]

[Text] It has been learned on 8 May that the headquarters of the ROK Joint Chiefs of Staff [JCS] is positively examining putting its cooperative duties with the U.S. forces in written form. This is in regards with U.S. reinforcements that are to be deployed to areas of the ROK Second Army in the event of an emergency and to protect related equipment.

The step was taken upon the request made by the U.S. forces in the ROK in early April to put into written form the ROK-U.S. consultations on the ROK Second Army's wartime operations. The Second Army, which controls most of the rear with over 100,000 force-in-beings and one million reserves, covers the broadest area among the three ROK Armies.

Kim Yong-sam: No Constitutional Changes in Term

SK1105044394 Seoul YONHAP in English 0125 GMT 11 May 94

[Text] Seoul, May 11 (YONHAP)—President Kim Yong-sam has reiterated that there will be no amendments to the constitution during his term in office, Presidential Spokesman Chu Ton-sik said Wednesday.

"There is not the slightest change in my thinking that the constitution will not be amended during my term of office," Chu quoted the president as saying.

The president's statement came after a press report that the 21st Century Commission, a presidential advisory body, on Wednesday broached the issue of a constitutional amendment.

"Prof. Yi Sang-u, chairman of the 21st Century Commission, apparently made no mention of the alleged need for a constitutional amendment when he verbally reported on the results of the commission's study to the president on Tuesday," said Chu.

Reference to a constitutional amendment could have been made in a five-volume written report to the president, Chu said.

"(But) If a sensitive problem like a constitutional amendment was verbally reported (by Yi), the president would have reacted right there," Chu said.

"The president would have said there will be no constitutional amendment," Chu added.

Working-Level Trade Talks Held With China

SK1105040394 Seoul THE KOREA HERALD in English 11 May 94 pp 2, 5

[Text] Seoul yesterday asked Beijing to allow the import of South Korean cars and participation of its construction firms in major construction projects in China, the Foreign Ministry said.

South Korea also requested that China heighten transparency of its trade system by lowering tariffs and relaxing requirements for permission to import goods, it said.

While promising to positively study the Korean suggestions, Beijing, on its part, urged Seoul to remove tariffs on 20 Chinese goods including mushrooms and asked it to be more prudent in levying anti-dumping charges against Chinese products, the ministry said.

The two sides made the requests during the first-day of their two-day working-level trade talks.

The ministry said the two sides expressed satisfaction over the growing trade volume between the two countries and agreed to exert efforts to remove nontariff barriers in order to further expand bilateral trade.

According to ministry statistics, two-way trade between both countries amounted to \$9.08 billion last year, with Korea recording \$1.2 billion of trade surplus.

The two countries, in the meeting, projected their two-way trade would reach \$28 billion in 1997 and \$50 billion in 2000.

The Korean side also explained to the Chinese the damage that Korean farmers are suffering from growing agricultural imports from China and sought the understanding of the Chinese over this problem, the ministry said.

The two sides will each explain their foreign trade policies and discuss cooperation in regional and international trade organizations including the Asia-Pacific Economic Cooperation (APEC) forum and the General Agreement on Tariffs and Trade (GATT) at today's session, the ministry said.

Chong Ui-yong, director-general for international trade of the ministry, is heading the Korean delegation, while

Shi Wei San, chief of the Asia bureau at the Ministry of Foreign Trade and Economic Cooperation, is leading the Chinese side.

Taiwan Said To Lift Fruit Import Restrictions

SK110505594 Seoul YONHAP in English 0237 GMT 11 May 94

[Text] Seoul, May 11 (YONHAP)—The Taiwanese Government decided Wednesday to lift restrictions on fruit imports, paving the way for South Korea to resume exports of apples and pears to Taiwan as soon as late this year, the Korea Trade Promotion Corp. (Kotra) said.

South Korea had exported about 30 million dollars worth of apples and pears to Taiwan while importing the same amount in bananas from that nation until August 1992, when the two countries severed diplomatic ties.

The decision to open its market to apples, pears, grapes and peaches is part of Taiwan's efforts to preclude possible problems in joining the General Agreement on Tariffs and Trade (GATT), which champions free trade. Kotra said Taiwan must join GATT this year if it wants to become a member of the World Trade Organization (WTO), which replaces GATT next year.

The Taiwanese Government will allocate a 20,000-ton import quota for apples this year to those countries which have been previously excluded from the quota system, according to Kotra. Only the United States and Canada had been allowed to export apples to Taiwan.

Taiwan plans to expand the quota to 30,000 tons next year and to 50,000 tons in 1999 before allowing a free flow of apples into the country in 2000, Kotra said.

The Taiwanese Government will also allocate a 2,000-ton import quota for pears to Asian countries in 1995 and expand the quota to 4,000 tons by 2000, Kotra said.

Seoul and Taipei have been negotiating the resumption of apple and pear exports to Taiwan since January, when the Taiwanese established a liaison office in the South Korean capital.

Argentine Economic Minister Plans Visit

SK110505594 Seoul YONHAP in English 0247 GMT 11 May 94

[Text] Buenos Aires, May 11 (YONHAP)—Argentine Economic Minister Domingo Cavallo will visit South Korea early next week.

He will sign an agreement guaranteeing investments between South Korea and Argentina as well as discuss further investment by Korean companies in the Latin American country and loans from Seoul.

Cavallo, who is a strong advocate of his country's new economic policy, told YONHAP News Agency Tuesday

that the convertibility system, which has laid the foundation for economic stability, will not be changed even after President Carlos Saul Menem is re-elected.

Argentina's economy has been stable for the past two to three years and the present policy will be continued; the Argentine Government hopes that Korean companies will hike their investments, he said.

He pointed to the fisheries, timber, mining and energy industries as promising areas for further Korean investment.

* DPRK Transportation System Analyzed

First Installment

942C0104A Seoul PUKHAN in Korean No 265, Jan 94 pp 90-93

[First of two installments of article by Kim Yong-yun, doctor of economics, a research committee member at the Research Institute for National Unification: "North Korea's Economic Scale and the Volume of Goods Transferred"]

[Excerpts] Natsuo Sekigawa, a typical Japanese intellectual and writer of the postwar generation, visited North Korea three times beginning in 1987, not by invitation, but at his own expense.

During his trips, he induced his retinue to express their candid impressions of North Korea and later he wrote a book about the real situation in North Korea on the basis of these impressions. The book is titled "Dreary Maze: Real Picture of North Korea"

In this book Sekigawa describes the Pyongyang-Wonsan Expressway on which he travelled for the first time as follows: "The highway to Wonsan can hardly be called an expressway. It looked something like thick concrete plates randomly laid out. It seemed that not enough gravel was laid on the road bed. It was impossible to drive at a high speed because the car rattled at each seam in the road." However, we are more interested in the following description.

"As is in Pyongyang, we did not see even a single gas station all the way to Wonsan. We traveled both ways in the afternoon on weekdays, but the volume of traffic was very light. There was not much traffic in Pyongyang, but even less on the way to Wonsan. I counted the number of cars driving in the opposite lane, and the number was about 300 for a time period of slightly over three hours. On the way back the number was nearly double, but most of the vehicles were spotted near Pyongyang."

Sekigawa noted that there were very few loaded trucks. According to him, "On our way back to Pyongyang from Wonsan, we saw 10 or more trucks loaded with lumber, and there were only a small number of trucks also. A truck with its cargo compartment covered passed by on the opposite lane. There was no way of knowing whether

the truck was loaded or not. The rest of the trucks were either empty or carried passengers. Not a single long-distance bus was seen."

Sekigawa says the situation was much the same when he visited North Korea in 1991, four years after his first visit in 1987. He says that during his last visit he noticed that the volume of traffic on the Wonsan-Pyongyang expressway (a simple paved highway for motor vehicles in his words) had rather decreased.

He could see about 30 vehicles passing in the opposite lane during a drive of slightly less than three hours over a 200 kilometer distance. About half of them were empty trucks, and some of the trucks carried passengers.

Sekigawa says he could not spot even a single long-distance van, and the sights outside viewed from his car were very much the same as he had seen during his first trip. He saw many vehicles standing in the countryside—apparently broken down. Oxen were tilling the fields; only a few tractors were at work in the paddies; and on the street some tractors were carrying passengers in trailers. From the scanty movement of freight, he could tell that very few products made on the east coast were shipped to the west coast.

South Korean journalists who visited Pyongyang to cover the International Parliamentary Union [IPU] general meeting in 1991 also reported seeing very few cargo-carrying trucks during the 600-kilometer round trip on the Pyongyang-Wonsan-Kaesong-Mt. Kumgang route, particularly on the Pyongyang-Wonsan expressway. Other travelers visiting North Korea have given similar impressions of the expressways in North Korea.

Each time I come across these travel accounts about North Korea, I always wonder how the volume of goods transported could be so little. This skepticism intensifies all the more when I compare it with the scale of North Korea's national income.

As of 1991, North Korea's per capita national income, computed in the same way we compute our GNP, is estimated at \$1,038, and its per worker GNP at \$2,271. The \$1,038 per capita income is equivalent to South Korea's 1977 per capita income.

It is problematical to compare the scales of the economies of the North and South in terms of the size of the national income or fiscal expenditure. North Korea's 1991 fiscal scale (\$17.2 billion) corresponds to somewhere between the comparable figures of South Korea's 1980 and 1981 budgets. However, there is too large a gap between the figures cited above and the volume of goods transported in North Korea actually observed by travelers.

North Korea's land transportation system gives more weight to freight transportation than to passenger transportation. The North Korean authorities explain that with the gradual increase in the transportation of raw

materials and supplies needed in economic development, the importance of passenger transportation has decreased. They also say that given its weak foreign exchange position, North Korea had no alternative but to expand and develop railway transportation, powered by coal and electricity, so that it could conserve oil, the supply of which depends wholly on imports.

Still, the volume of goods transported in North Korea that could be inferred on the basis of actual observations by travelers is way too small compared with the scale of the North Korean economy as projected by its per capita national income. This raises doubts as to the validity of the estimated per capita national income of North Korea. [passage omitted]

Even where most materials are transported by rail as in North Korea, when railway transportation is inadequate, naturally road transportation is bound to come into play to compensate. This is the basic universal economic principle of seeking efficiency that applies all economic systems alike.

North Korea's expressway system crosses the country coast to coast connecting Nampo and Wonsan on the one hand, and on the other runs from north to south linking Huichon and Kaesong, with Pyongyang as its center. North Korea had its own reason for connecting these cities by expressways: the purpose was to connect these industrial areas and ports to Pyongyang. With Pyongyang as its axis, the expressway system connects Pyongyang to Nampo Port to the west; Wonsan Port to the east, behind which lie the Hamhung and Hungnam metallurgical and chemical industrial areas; and Huichon, the center of the precision machine and automobile industries, to the north.

The recently completed Kaesong-Pyongyang expressway in the northern part is playing the role of a passage to Pyongyang from South Korea. In other words, the North Korean expressways connect the areas that need to be developed as an essential requirement and on a priority basis in order to link different industrial centers.

Entry to modern society means entry to an automobile-based society. As industry develops, automotive transportation of goods and personnel becomes all the more important. North Korea's expressways could prove as efficient as railways as a means of transportation. But that did not happen, and this may indirectly prove that there is a big gap between the actual scale of the North Korean economy and our estimate of it.

Second Installment

942C0104A Seoul PUKHAN in Korean No 267, Mar 94
pp 134-137

[Excerpts] As of 1991, North Korea had 5,059 kilometers of railway trackage, or 78 percent of 6,462 kilometers in South Korea. In North Korea, 3,280 kilometers, or 65 percent of the total length of railways, were electrified.

The rate of electrification is high compared with South Korea. Nevertheless North Korea's railways are not playing their proper role.

First, 98 percent of the railways in North Korea are single-track. Regardless of improvements made in the efficiency of transportation on single-track railways through electrification, the more North Korea depends on railways for long-distance freight transportation, the more frequently the trains need to operate (dependency on railways in freight transportation is said to have risen from 88 percent in 1988 to 90 percent in 1992). The greater the frequency of train operation, the greater the number of intermediate stations needed, and consequently, the longer the stoppage-time required. Therefore, the efficiency of electric rail transport is bound to fall, despite electrification's purpose having been to improve the speed of train runs. When freight transportation depends so much on single-track railways, any distribution system North Korea has is far from adequate. [passage omitted]

According to So Yong-chol, a former North Korean guard and guide for south-bound spy missions who defected to the South across the armistice line in September 1989, "between Kaesong and Wonsan there is no means of transportation other than the railway. The train leaves Kaesong for Pyongyang at 1845 daily."

It is hardly understandable why there is only one train run a day between Pyongyang and Kaesong, if we assume that materials are transported and delivered in North Korea in a quantity commensurate with the scale of the North Korean economy. The trains should run far more

frequently. As of 1991, the total length of expressways in North Korea was 354 kilometers and the total number of motor vehicles was 270,000 (there are 4.25 million in South Korea).

Assuming one-tenth of these vehicles, that is, 27,000 are on the Pyongyang-Nampo, Pyongyang-Wonsan, Pyongyang-Kaesong, and Pyongyang-Huichon expressways, linking major industrial areas and urban centers, simple arithmetic indicates that about four vehicles should be seen on these expressways for each 100 meters. Supposing trucks run on the expressways at 60 kilometers per hour, at least 2,000 trucks could be seen per hour. Granting that the North Korean authorities are limiting the operation of trucks in order to prevent increases in oil imports, the volume of materials transported that can be projected from the actual observations of the defectors and travellers provides sufficient ground to raise doubts about the actual scale of the North Korean economy. [passage omitted]

North Korea's explanation of [the lack of traffic and activity in Pyongyang] is rather ironical. They say that the stores in North Korea play the role of a distributor who distributes goods to local inhabitants, instead of keeping stocks of goods on a regular basis so that he might sell articles to the customers from time to time as they come. People come to pick up their items at a given time when those items are available; that is why on ordinary days there are very few customers visiting the stores. If this is true, we cannot but be curious about whether there are sufficient means of transportation necessary to distribute all the daily necessities and whether such means are in an operational condition. [passage omitted]

Burma

Finance Minister Returns From ADB Meeting

*BK1005153294 Rangoon Radio Burma in Burmese
1330 GMT 10 May 94*

[Text] A Myanmar [Burma] delegation led by Brigadier General Win Tin, minister of finance and revenue, returned to Yangon [Rangoon] on a Myanmar Airways International flight this evening after attending the 27th Annual Meeting of the Asian Development Bank [ADB] in Nice, France on 3 May.

PRC Small-Industry Trade Fair Opens in Rangoon

BK0805091194 Rangoon Burma Television Network in Burmese 1330 GMT 7 May 94

[Summary] A ceremony to inaugurate the Chinese Small-Industry Trade Fair '94, organized by the Trade Ministry of Union of Myanmar [Burma], General Corporation of the Chinese Aviation Industry [GCCAI], and Pioneer Myanmar U Paing Limited [PMUPL], was held at the Defense Services Hall on U Wizara Road in Yangon [Rangoon] at 0900 this morning.

The ceremony was attended and graced by Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC]. It was also attended by members of the SLORC, cabinet ministers, Mr. Liang Feng, ambassador of the People's Republic of China to Myanmar; embassy members, ambassadors and diplomats from foreign missions, local and foreign entrepreneurs, local and foreign journalists, and invited guests.

At the ceremony, Lieutenant General Tun Kyi, minister of Trade, delivered an address on the historical ties between Myanmar and the PRC, and PRC's industrial and technological assistance to Myanmar. He said the assistance will greatly benefit Myanmar.

Next, Mr. Ho Kaung Gyo, vice chairman of the GCCAI, delivered an address. In his address, he listed the Chinese companies and organizations involved in the fair, and said the fair will benefit the two countries in trade and economic cooperation.

After their addresses, U Chit Hlaing chairman of the PMUPL, gave a speech. Then the fair was opened by Trade Minister Lt. Gen. Tun Kyi, PRC Ambassador Mr. Liang Feng, and responsible personnel.

Later, SLORC Secretary-2 Lieutenant General Tin U and guests visited the fair. Over 500 products from 40 PRC industries and companies will be displayed at the fair. The fair will be opened between 0900 and 1630 from 7-13 May. To mark the opening of the fair, a dinner was also hosted at the Defense Services Hall.

Indian Armed Forces Chief of Staff Visits

Arrives in Rangoon

*BK0905153094 Rangoon Radio Burma in Burmese
1330 GMT 9 May 94*

[Text] A delegation led by General Bipin Chandra Joshi, chief of staff of the Indian Armed Forces, and his wife arrived at Yangon [Rangoon] International Airport [YIA] on a special airplane at 1700 to pay a goodwill visit, at the invitation of Gen. Maung Aye, deputy commander in chief of the Defense Services and commander in chief of the Army of the Ministry of Defense of the Union of Myanmar [Burma].

Gen. Bipin Chandra Joshi, his wife, and the delegation were welcomed at the YIA by Gen. Maung Aye and his wife; Lieutenant General Tin U, chief of staff of the Army and commander of the Special Task Force No.1 [a-hmat tit a-htu sit-sin-ye tat-pwe hmu], and his wife; Lt. Gen. Myo Nyunt, commander of the Rangoon Military Command, and his wife; Brigadier General Than Oo, military judge advocate general; high ranking officers from the Ministry of Defense; Mr. Gopalaswami Parthasarathy, Indian ambassador to Myanmar; Military Attaché Colonel (P. C. Braradras), and responsible personnel.

Later Gen. Maung Aye and Gen. Bipin Chandra Joshi received the salute from guard of honor and inspected the guard of honor. Then Gen. Bipin Chandra Joshi, his wife, and the delegation proceeded to the No.2 Defense Services Guest Hall. At night, Gen. Maung Aye hosted a dinner in honor of Gen. Bipin Chandra Joshi, his wife, and the delegation at the No.2 Defense Services Guest Hall.

Received by Prime Minister

*BK1005152794 Rangoon Radio Burma in Burmese
1330 GMT 10 May 94*

[Text] Senior General Than Shwe, prime minister, defense minister, and commander in chief of the Defense Services of the Union of Myanmar [Burma], received visiting General Bipin Chandra Joshi, chief of staff of the Indian Armed Forces, and his delegation in the Protocol Hall at the People's Assembly Building at 0900 this morning.

General Maung Aye, deputy commander in chief of the Defense Services and Army commander in chief; Lieutenant General Tin U, commander of Special Task Force No. 1 and Army chief of staff; Brigadier General Than Oo, military judge advocate general; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; Gopalaswami Parthasarathy, Indian ambassador to Myanmar; and Military Attaché Colonel P.C. Braradras were present at the meeting.

Karen, Karenni Said Cooperating With Khun Sa
BK0705121594 Bangkok THE NATION in English 7
May 94 p A3

[By Yindi Loetcharoenchok]

[Text] The Burmese junta has accused two rebellious ethnic groups of co-operating militarily with opium warlord Khun Sa and warned that such an association "can hinder" continuing peace talks.

Spokesmen for the Karen and Karenni flatly rejected the charges as "groundless" accusations aimed at discrediting the anti-Rangoon ethnic movement.

In an interview yesterday, the Burmese Armed Forces Attaché in Bangkok, Col Thein Swe, said the Karen National Union (KNU) and the Karenni National Progressive Party (KNPP) had each sent a delegation last month to meet Khun Sa.

He claimed that a three-member Karenni team led by Deputy Chief of Staff Aung Mya subsequently signed a "military alliance" with Khun Sa's Mong Tai Army (MTA).

Thein Swe said he did not know the contents of the pact but suspected they had "probably" agreed not to let a third military force pass through territories they respectively control.

He accepted that the Burmese army would need to pass through the Karenni area to successfully attack the MTA. He said the State Law and Order Restoration Council (Slorc) will launch offensives against Khun Sa's forces, but "it is not yet the time".

The attaché also charged that a five-member Karen delegation met Khun Sa during April 10-12 and that a KNU landmine expert, Lt Col Isaac had taught the MTA how to produce anti-personnel mines and helped set up a weapons factory.

The MTA's move implied that it was aware of Slorc's pending offensive and had taken the preventive measure of planting landmines in the likely path of advancing Burmese troops, according to Thein Swe. He said such military cooperation with Khun Sa "can hinder" negotiations between Slorc and the two ethnic groups.

Khun Sa's group could not be reached for comment.

In separate interviews yesterday, both the Karen and Karenni guerrillas agreed they had sent teams to Khun Sa's area in southern Shan State, but rejected as "groundless" the accusations that they were cooperating militarily with the warlord.

Khun Sa, or Chang Si-fu in Chinese, controls a narrow strip of territory east of the Salween River in southern Shan State alongside the Thai border province of Mae Hong Son.

Although he claims not to be a drugs trafficker and says he only imposes a tax on opium or heroin passing through his territory to finance the Shan state's struggle for independence, Rangoon and the world community have branded him a drugs baron. Despite his denials, US courts have accepted 10 separate narcotics-related charges brought against him.

A Karenni spokesman who requested anonymity said the KNPP delegation's visit was in response to a recent letter purporting to be from Khun Sa to three ethnic movements—Karen, Karenni and Mon—urging them to unite and cooperate politically and militarily with him to counter Slorc.

The three groups had discussed the letter. It was ambiguous and they had been suspicious of its authenticity and wary of being used by an outside party.

Khun Sa later confirmed that he had sent the letter, he added.

The Karenni spokesman confirmed that Aung Mya and two other KNPP members did go to see Khun Sa to seek clarification.

But he rejected Thein Swe's accusations of a "military alliance" with Khun Sa as "groundless propaganda," intended to "discredit" the Karenni movement.

"We, the KNPP, are not stupid. He deals in drugs. How could we (reach an agreement with Khun Sa)... If we did, people would think that we deal in drugs and we would then lose our political objective (Karenni independence)," he said.

The Karenni have a policy to continue peace talks with Slorc but no date or venue had been agreed on for the next meeting, he said. The KNPP was still pressing for the talks to be held outside Burma.

Likewise, a Karen spokesman while accepting that a delegation was sent to Khun Sa's area, denied the team was there to teach the Mong Tai Army how to produce mines. He said it was "possible" that the trip was in response to the warlord's letter but he had not seen the letter itself.

"Some small officers went there just to see the place. There is no agreement whatsoever signed with Khun Sa," he said.

Although the Karen have agreed to enter bilateral ceasefire talks with Slorc, no meeting has ever taken place. The two sides can not agree on a venue as the Karen want the meeting outside Burma while Slorc insists that it takes place inside the country.

Khin Nyunt: Another Armed Group To Surrender
BK0905141494 Rangoon Burma Television Network in
Burmese 1330 GMT 8 May 94

[Excerpts] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Areas

and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], accompanied by Lt. Gen. Kyaw Ba, minister of hotels and tourism; Lt. Gen. Thein Win, minister of transport; Brigadier General Myo Thant, minister of information; U Khin Maung Thein, minister of energy; U Khin Maung Yin, minister of construction; Colonel Kyi Maung, deputy minister of education; Colonel Than Zin, deputy minister of health; Col. Tin Hlaing, deputy minister of home affairs, U Kyaw Tin, deputy minister of agriculture; responsible personnel, and Marie Croft Foster from the ABC NEWS AGENCY left Yangon [Rangoon] by military airplane this morning. They arrived at Loikaw airport at 0830. [passage omitted on welcoming the delegation]

The delegation, accompanied by Commander Major General Saw Tun, left Loikaw by helicopter and arrived at the Peking Village in Pekon Township, Shan State at 0910. Lieutenant Colonel Than Htay, commander of the local battalion; Kayan National Leader U Gabriel Byan and local residents welcomed the secretary-1, ministers, and party.

Then the secretary-1 and ministers proceeded to the primary school in the village and met with local residents. First, the secretary-1 delivered an address at the meeting. In his address, he said: The purpose of the visit to Kayah State by the delegation consisting of himself, the cabinet ministers, commander, regional administrator, and staff officers from the departments, is to coordinate on the regional development. While SLORC is taking responsibilities of the state, it is also undertaking the border areas and national races development activities with genuine goodwill by starting projects. He said local tranquillity is crucial to undertake the regional development programs. That is why, to carry out the regional development programs with full capacity, the state government has extended the invitation to the armed organizations in the jungle to return to the legal fold and to work with the state government to undertake the regional development programs. He also added that due to the invitation 10 armed organizations in the jungle have already returned to the legal fold, and another armed group will return to the legal fold tomorrow. So there will be a total of 11 groups returned to the legal fold. He said: Kayan national leaders in Kayah State understood the state government's genuine goodwill and returned to the legal fold. They are joining hands and working with the state government for the development of their regions. Reasonable achievements are also being made. He added that local people also have to cooperate and work in unison to continue to carry out the regional development programs with momentum. The state government will provide the needed assistance. He said: If the armed groups in Kayah State return to the legal fold, there will be tranquillity in Kayah State, and the state government will be able to carry out development programs with increased momentum. Local residents also have to join hands and participate in the regional development programs. He added national solidarity is crucial for the long-termed

existence of the union. That is why the SLORC is extending the invitation to the armed groups with various views that went into the jungle. He also said that if all the armed groups in the jungle return to the legal fold and the people join hands and work together, then the state will be developed rapidly. That is why national people have to cooperate and work together under the leadership of the state government for the development of the state and for the development of Kayah State and its people. [passage omitted on presentations by ministers and responsible personnel, Khin Nyunt's remarks on regional development programs, and delegation inspecting development activities in Loikaw].

[Hong Kong AFP in English at 0827 GMT on 9 May identifies the latest group to return to the legal fold as the "1,800-strong Kayan National Peoples Liberation Front (KNLPP)." It reports the group signed a cease-fire agreement with the "ruling junta."]

Brunei, Malaysia & Singapore

Malaysia

Prospects for Future Ties With U.S. Discussed

BK1005122394 Kuala Lumpur NEW STRAITS TIMES
in English 9 May 94 p 14

[Editorial: "US-Malaysia: A Better Future"]

[Text] "When the United States sneezes, the rest of the world catches the flu," is one of those rare pieces of wit that reveals far more than it presumes to laugh off. Countries feel uncomfortable enough about their vulnerability to American cultural contagion when it is inadvertent. But when the American bug is set forth as an outbreak of deliberate policy, they feel more than entitled to expostulate.

The expostulations can often seem like rabid anti-Americanism, but for many, particularly among the smaller countries, it evinces a helpless inability to resist the on-rush of American dogma and its policy consequences. This is where Washington so often gets it wrong. America asserts the right to spread its own gospel simply because it has the best means for doing so; while the "flu-prone" nations see their political sovereignty and cultural independence threatened by the corrosion of the worst incidental and side effects of that gospel.

It is where America's preaching of its gospel is contradicted by the cynicism of its own national interests that expostulation rises to protest. Nowhere else is that more telling than in Asia and Bosnia. In this continent, America's broader aims from "engagement", through ramifying trade and business ties, may be turned round for the narrow purposes of retaliation. In trade, for example, America encourages imports from Asian countries only to hold their export market positions hostage to an extraneous agenda, such as on democracy, human rights and labour standards. It reserves the legislative right in

the so-called super 301 provision to employ this trade-war option in defiance of its GATT avowals.

Much of Washington's insensitivity and dogmatism, however, arises from its distance, both literally and metaphorically, from those affected by its policies. The meeting between President Clinton and Prime Minister Datuk Sri Dr. Mahathir Mohamed on Saturday showed that when much of this distance is physically bridged, considerable space can be found for common ground. Part of the reason why that space appears so narrow is a matter of attitude and perception. The latter two are too often infused by the hubris that comes from America's pre-eminent power and position in the global order.

"One should try to convince by pointing out right and wrong rather than anything which might be interpreted as arm-twisting," Dr. Mahathir told Clinton. Developing nations' nervousness to American bullying is more than justified by recent history. The US, no doubt, would insist that it means well and that it is often misperceived. Misperceptions are the first to be brushed away by the cordial and candid meeting of leaderships. On Bosnia, for example, Clinton was discovered to be highly sympathetic but added that nations were constrained in their power to act. This admission, however, only extenuates America's culpability.

Clinton has also shown himself to be a considerable departure from the yankee conservatism of the Bush and Reagan years. Responsive rather than antagonistic to the concerns of countries such as Malaysia for greater intra-regional economic relations, the president has softened the previous hard line on APEC and the EAEC. Above all, Clinton has shown that he takes Malaysia and its leader seriously. He has respected the right of small nations facing the "flu" to berate the sniffling political and economic levies than to take some medicine of its own first.

House Passes Draft Constitutional Amendment Bill

BK1005142494 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 10 May 94

[Text] The House of Representatives today passed the 1994 draft constitutional amendment bill by a more than two-thirds majority. The draft bill is designed to provide for the establishment of a court of appeal and demand that the paramount ruler and Malay rulers accept a government advice. As many as 133 of the 179 MP's voted for the draft bill. Three PAS [Pan Malaysian Islamic Party] members and four independents were among those voting for the draft bill. Fourteen DAP [Democratic Action Party] members abstained and not a single member of the Semangat 46 [Spirit of 46 Party] attended the session today.

Speaking during the debates at the committee level, opposition leader Mr. Lim Kit Siang said that the party abstained because the proposed amendment to Article

66 did not get the consent of the Council of Rulers as provided for in Article 38 (4) of the Federal Constitution.

Winding up the debates, Deputy Prime Minister Datuk Sri Anwar Ibrahim said a constitutional amendment is nothing new and thus does not need the consent of the Council of Rulers. He said the notice regarding debates over the draft constitutional amendment bill was considered sufficient because the matter is nothing new.

In another development, Semangat 46 President Tengku Razaleigh Hamzah said the government should postpone the amendment because Article 40 of the Federal Constitution pertains to a true interpretation of a government advice to the rulers and their subsequent consent. He said the amendment should be studied first before being presented to the Council of Rulers for their consent.

Singapore

Official Regrets Kantor Remarks on WTO Venue

BK1005143994 Singapore Singapore Broadcasting Corporation in English 1400 GMT 10 May 94

[Text] Singapore regrets the statement made by U.S. Trade Representative Mickey Kantor on its bid to host the first ministerial meeting of the World Trade Organization [WTO]. Mr. Kantor told reporters in Washington the meeting ought to be held somewhere else. A Foreign Ministry spokesman said it was up to members of the WTO and not the U.S. Trade Representative to decide on the venue. The spokesman stressed that Singapore's bid to host the conference stands.

U.S. Clarification of Kantor Remarks Welcomed

BK1105143394 Singapore Singapore Broadcasting Corporation in English 1400 GMT 11 May 94

[Text] The Ministry of Foreign Affairs [MFA] has welcomed the U.S. State Department's clarification that Washington has not yet taken a stand on Singapore's bid to host the first World Trade Organization [WTO] conference. A Ministry spokesman said this in response to queries from the News Five. Singapore had expressed regret yesterday after U.S. Trade Representative Mickey Kantor said that the WTO meeting ought to be held elsewhere. A State Department spokesman said the U.S. had no opinion on whether Singapore should host the conference and that Mr. Kantor's comments were his own. The MFA spokesman stressed that the Republic's proposal to host the conference still stands. WTO members are to decide on the venue for the conference.

Cambodia

Che Sim Receives Outgoing Russian Envoy

BK1105083294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 10 May 94

[Text] This morning, 10 May, at the National Assembly office, Samdech Chea Sim, chairman of the National Assembly of the Kingdom of Cambodia, and a number of MP's granted an audience to His Excellency [H.E.] Yuriy Mirkotnykh, Russian ambassador to Cambodia, who came to pay a courtesy call and bid farewell to them.

On that occasion, the Russian ambassador thanked Samdech Chea Sim for allowing him to come and bid farewell before returning to his country on 8 May 1994, after the completion of his mission in Cambodia. The ambassador expressed his regret and nostalgia over his departure from Cambodia, where he had been working for 24 years in close bilateral cooperation to reinforce and expand the relations in all fields, especially in the process of seeking peace, national reconciliation, and national compromise to put an end to the Cambodian war. This process remains unsuccessful due to the Party of Democratic Kampuchea's intransigence and refusal to join the Royal Government of Cambodia [RGC]. Anyway, the Russian envoy emphasized that even though he was to undertake his task in another place, he would continue his endeavor to seek peace for Cambodia.

In his reply, Samdech Chea Sim thanked Russia for its assistance to Cambodia and for the success resulting from its good bilateral cooperation with the country. He expressed hope that Russia would further its diplomatic cooperation with Cambodia after the departure of H.E. Yuriy Mirkotnykh.

Again the Russian ambassador said Russia would make arrangements for welcoming Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs of the Kingdom of Cambodia, who will soon visit Russia to sign a number of agreements on international cooperation between the two countries. He added that Russia would always support the RGC and National Assembly.

Samdech Chea Sim thanked Russia for its support for the National Assembly and RGC, saying he hoped that in the cooperation between the two countries' assemblies there would be exchanges of visits by various assembly committees to strengthen and promote the process of rehabilitating and rebuilding the countries toward prosperity.

On that occasion, the Russian ambassador asked Samdech Chea Sim about the roundtable meeting between the RGC and the Party of Democratic Kampuchea. Commenting on this issue Samdech Chea Sim said the RGC has exerted its all-out efforts in this problem, but the Khmer Rouge side refuses to meet in Phnom Penh under the pretext that the city is not neutral and that

there is no security for its delegation, although the RGC has already made all kinds of guarantees. The samdech also pointed out that the roundtable meeting had not been held yet and that it can take place only if a cease-fire is implemented beforehand.

On the issue of reorganizing elections proposed by His Majesty King Norodom Sihanouk—who has said that if the Khmer Rouge are real patriots, he will propose new general elections to be organized by Cambodian parties without the participation of the United Nations—Samdech Chea Sim said the Khmer Rouge side has not yet given its answer to this proposal and that the Cambodian National Assembly is currently considering it and awaiting a decision from the RGC. The samdech stressed that if polls are to be reorganized, the Constitution should be changed, and the RGC and National Assembly should be dissolved. This move, he added, appears to be beneficial to the Khmer Rouge.

The Russian ambassador also wanted to know about the RGC's decision to outlaw the Khmer Rouge. On this issue, Samdech Chea Sim said this move has been put aside and that the RGC and National Assembly have not discussed it yet. He further said that next week, the National Assembly will continue its session to discuss the appointment of new MP's to replace the old ones and debate diverse laws as planned in the agenda.

KR Decry France's Plan To Give Aid to Government

BK1105082194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 May 94

[Text] France has reportedly summoned Prince Sirivut to go immediately to Paris to see the French foreign and defense ministers so that more military aid can be provided to the two-headed government to do away with the Cambodian nation and race.

The general public asks why France openly makes itself the frontline enemy of the Cambodian nation and people. Have the latter ever done anything affecting French interests that prompts it to implement a dark policy toward Cambodia?

To answer this question, it is worth recalling:

1. A long time ago in Indochina, France adopted a policy of constant support for the late Ho Chi Minh's Indochinese strategy of swallowing and incorporating Cambodia into Vietnam's Indochina. In 1949, the French Government of (Kuch Floret), the then master of Indochina, decided, without consulting the Cambodian side in the least, to give Cambodia's Kampuchea Kraom to the Vietnamese King Bao Dai with the aim of protecting French interests in Indochina. The action was an encroachment upon the rights of the Cambodian nation and people, who are the owners of Kampuchea Kraom, and the right to self-determination of millions of Cambodian people living there. Why did France sell out the

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Cambodian nation and people in Kampuchea Kraom? The reason was that it needed to include Vietnam's Indochinese federation in its arena for the purpose of serving its strategy in Southeast Asia and the Pacific. Although Cambodia lost its race, France did not care about the country's destiny and future. What was important for it was its status as a colonial power. It did whatever it could to achieve its strategy.

2. In November 1991, when the Paris 23 October 1991 accord was being implemented, French Foreign Minister Roland Dumas came to Phnom Penh immediately to combine two parties—one belonging to Ranariddh of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the other to Hun Sen of the Vietnamese puppet Cambodian People's Party [CPP]. The French foreign minister's intention was to encroach upon the Paris accord, which demands that the four parties achieve national reconciliation. France was opposed to the Party of Democratic Kampuchea and the Supreme National Council headed by Prince Norodom. In connivance with its alliance, France assisted the Vietnamese aggressor troops to reinforce the communist Vietnamese regime in Cambodia, enabling it to smash the Democratic Kampuchea forces. French General Lordinon, commander of the UN forces in Cambodia, said blatantly that the Khmer Rouge [KR] should be smashed to pieces and so on.

3. Along with this, France and Akashi [head of the UN Transitional Authority in Cambodia], as well as their alliance, forged a law making millions of ethnic Vietnamese in Cambodia eligible to vote. They also declared that Vietnamese nationals would be allowed to flow into Cambodia at will.

4. Shortly after the elections organized by UNTAC [UN Transitional Authority in Cambodia], even though the communist Vietnamese puppet CPP was defeated, France further strove to immediately combine the communist Vietnamese puppets with the FUNCINPEC of Ranariddh to form a two-headed government and an army to attack Democratic Kampuchea and the people at Phnum Chhat and Stoung, and then Anlung Veng and Pailin as now. In January 1993, the French defense minister made an urgent trip to Phnom Penh, and later, the French General Staff chief and foreign minister also came in order to join in mapping out a military plan to (?attack) the Cambodian nation and people in the Democratic Kampuchea-controlled regions during the 16th dry season.

5. Now, despite serious defeats suffered by its alliance, the communist Vietnamese and the two-headed government, on the Anlung Veng, Pailin, Route 5, Poipet, and Sisophon battlefields, France remains adamant on further inflaming the war of aggression. It has summoned Prince Sirivut—who is now having a good time in Paris touring, drinking, and dancing—to see it so that more

military aid can be provided for destroying the Cambodian nation and people in accordance with the strategy applied by its alliance and the communist Vietnamese in Cambodia and the region.

The Cambodian nation and people as well as all patriotic forces are determined to continue to hold aloft the banner of the struggle to preserve the survival of the nation and race. Peace-loving countries in the region, including the ASEAN states, are vehemently opposed to the communist Vietnamese' and their alliance's policy of furthering war in Cambodia and Southeast Asia. They want Cambodia to recover national reconciliation and peace in accordance with the king's five-point national reconciliation plan.

King Criticizes KR, Accuses Them of Corruption

*BK1105132394 Phnom Penh AKP in French 0404 GMT
11 May 94*

[Text] Phnom Penh 11 May (AKP)—His Majesty Norodom Sihanouk, king of Cambodia, has disclosed that massive corruption also exists within Khmer Rouge ranks.

At an audience with the representatives of the losing parties in the general elections and the Muslim and the Chinese communities in Phnom Penh on 7 May, the king rejected an allegation made by some that "leaders of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party [CPP] are corrupt, while the Khmer Rouge [KR] are good."

"The revenue acquired by the Khmer Rouge from the sale of precious stones and logs has not been used to serve the people at all," said the king, adding that money pocketed by the group has not been spent to build schools, bridges, roads, monasteries, but to purchase arms and ammunition.

"Besides, nonscientific exploitation of the precious stones in Pailin accorded by the Khmer Rouge to foreign entrepreneurs has led to the pollution of the Sangke river and a large part of the Tonle Sap lake," said the king, who also denounced the perfidious maneuvers of the Khmer Rouge, who massacres its own people under the pretext of attacking Vietnam.

His Majesty Norodom Sihanouk calls for an end to the confrontation between the Khmer Rouge and other Cambodians to promote a climate of mutual comprehension, thereby achieving national reconciliation.

The king underlined that the internal conflict only benefits neighboring countries. He called on all Cambodians to accept a roundtable meeting or new general elections.

Sam Rangsi Wants Peaceful Negotiations With KR

BK1005031294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 May 94

[Text] Sam Rangsi, deputy chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and minister for economy and finance of the two-headed government, said on 8 May: I am of the opinion that we are not able to dissolve the Khmer Rouge [KR] troops. Even the North Vietnamese troops were unable to dissolve the KR troops. This is not only my belief; the overwhelming majority of the Cambodian people also thinks so. The people are fed up with war; no one wants to wage war to bleed his own fellow compatriots. Since the entire Cambodian people want peace, the king has called for a roundtable meeting to restore peace with peaceful means, (?thereby making Cambodia prosperous and glorious once again). This is not only my point of view, it is also the opinion of the people in general.

Sam Rangsi further said that the king's statement is very correct, because nothing can be resolved militarily. War should be put to a halt. The Vietnamese, who attacked the Khmer Rouge and harassed, persecuted, and oppressed the Cambodian people, were not able to fight a successful war against the Khmer Rouge, so why do we, the Cambodians, need to bleed each other? This only damages Cambodia's interests and benefits foreigners. The latter want us to bleed and kill each other to make our land free, thereby allowing them to dominate and occupy our country. This being the case:

1. Our common belief is that nothing can be solved through military means and that a solution to achieve national unity can only be found through peaceful negotiations.
2. Since all of us want peace, therefore, only the king is able to restore national reconciliation to allow our nation to recover independence and peace 100 percent.

Columnist Pessimistic on Assembly Session

BK0905150294 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9-10 May 94 pp 1, 11

[Column by Monineat: "A Very Little Hope in the Assembly Session"]

[Excerpt] Some observers have said they have very little hope in the upcoming session of the National Assembly expected to be held on 16 May following failure of the recent two sessions. Three topics will be raised on the agenda of this 16 May session.

The National Assembly will hear the announcement on the outgoing and incoming representatives, debate and adopt the 1994-95 socioeconomic restoration plan and

the press system bill, and approve the appointment of Sin Sen and Kieng Vang as the state secretaries of Interior.

Looking at the three topics, one can see that this is the third time that the announcement on the outgoing and incoming representatives has been raised on the agenda. It was this topic that caused a deadlock in the previous two sessions (held on 5 and 27 April). This matter has caused the National Assembly to be criticized by the public and those who have been observing the law enforcement and the implementation of the half-baked democracy in Cambodia.

The replacement of these unqualified representatives has led to the conflict between personal opinions and legal aspects because a number of representatives from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party have refused to accept two candidates from the Cambodian People's Party [CPP], namely Prince Kromkhun Chakrapong and Mr. Sin Song.

According to a report from the National Assembly's office, 11 members of the assembly's Standing Committee have approved the agenda on the new representatives, but one Standing Committee member has rejected it.

Some optimists think that this session will be successful because they believe that the FUNCINPEC and CPP will reach a compromise so that the two representatives from the CPP can get their seats in the National Assembly. However, there are also some pessimists on this matter.

A high-ranking National Assembly member has revealed that Samdech Chea Sim, chairman of the National Assembly, has strived to reach a compromise with the FUNCINPEC to draw its support for his men. He will also seek the support from other assembly members to get the approval for this agenda. [passage omitted]

*** 'Old Regime' Term Obstacle on Human Rights**

94SE0026A Phnom Penh THE CAMBODIA TIMES in Cambodian 17-23 Aug 93 p 5

[Text] Phnom Penh—Mrs. Sam Kanitha, Deputy Minister of Justice, has said that a number of authorities are still violating the law and that she does not know whose orders they are following. She has information that many political prisoners are still being detained in many provinces and that there has been torture especially of members of FUNCINPEC.

The deputy minister stated that these authorities—who are carrying on the system of the old regime—are exceeding their legal authority and are a major problem for the Ministry of Justice. She emphasized that, "If we cannot solve this problem now the 'sickness' will be as grave as it was before."

Up until now, the Ministry of Justice has been limited in seeking a solution to these violations because the constitution which regulates the power of the government is not yet set up. Mrs. Sam Kanitha said that, "At the present time disorder cannot be avoided." But, in spite of this, in accordance with special royal authorization from Prince Norodom Sihanouk, the Ministry of Justice is dispatching government attorneys to the various detention centers where they suspect that there are violations.

Mrs. Kanitha explained that, "This does not mean that we are separating ourselves from the government. We are following the orders of the chief of state because we cannot yet operate according to the constitution." What she termed, "those old laws" still seem to be widely carried out. There is something unusual and slow about the courts.

Recently we approved a memorandum for all judges to inform them of recent legal errors. And we began to investigate every legal case. We are trying to resolve every pending case before the new laws go into effect. We are also establishing a court of appeals. Up until now in Cambodia the judicial branch has not been independent.

The laws had been made according to the wishes of the government and no one has dared to object. In the beginning the Ministry of Justice had no role, but was responsible for approving the judgments of various government organizations such as the Council of Ministers, the Ministry of Security, or provincial governors.

These three authorities can detain a prisoner in jail as they wish. The Ministry of Security, according to research by the Ministry of Justice, has said that the use of torture is a technical matter of its own. She added that the various decisions have been made in accordance with party policies and the judges have not been appointed by them for their ability but rather for their loyalty. One of the many current problems which the Ministry of Justice must solve is the lack of healthy and independent judges in Cambodia to go back to work when there are new laws. The Ministry of Justice is now asking retired lawyers to return to work even those who live abroad. But Mrs. Sam Kanitha is perfectly aware that the government's pay will not attract many specialists. At present, monthly salaries at the Ministry of Justice range from 30,000 to 60,000 riel. Since the Ministry of Justice does not have enough new people to change the old regime, it has tried to explain the new system by teaching its own personnel.

In close cooperation with United Nations agencies and human rights organizations, they have given many seminars to raise the level of education. Mrs. Sam Kanitha believes strongly that education is one of the ways to combat corruption. Beginning when she was in the Ministry of Education, she conducted experiments in order to combat corruption. From the beginning, in the schools and universities, since [they] had created an independent committee to monitor examinations and

provide a secret number for the examinees, she observed that the students who have the ability to get good grades are not the students who have wealthy or powerful parents.

* Biography on Chea Sim Reported

94SE0116A Vientiane PASASON in Lao 5 Mar 94
pp 1, 3

[Unattributed biography: "Biography of His Excellency Chea Sim, President of the National Assembly and Acting Head of State of the Kingdom of Cambodia"]

[Text] Samdech [His Excellency] Chea Sim was born on 15 November 1932 in Svay Rieng Province.

When he was young, he lived and studied at a temple. He became a monk and continued his studies until he had received a mid-level diploma in religion.

During 1952 to 1953 he was with the freedom movement struggling for national independence.

During the period from 1970 to 1975 he was with the movement for national salvation under the leadership of His Majesty Norodom Sihanouk, head of the United National Front for Harmony in Cambodia. During this period, he was named as a chairman of a canton administration, and later a chairman of the district administration.

In 1975, because he saw clearly the danger threatening the lives of the people of Cambodia, he and his group led their forces in resisting the genocidal regime.

On 2 December 1978, he was assigned to be deputy chairman of the United Front for Solidarity to Redeem Cambodia.

After the overthrow of the genocidal regime on 7 January 1979, he was assigned to be a member of the People's Revolutionary Assembly of Cambodia as well as Minister of Interior for the Cambodian Government.

During the 12 years since 1981 he has been elected chairman of the United Front for Solidarity, Construction and Defense of the Cambodian Motherland; a member of the People's Assembly from Prey Veng Province; and chairman of the National Assembly of the Cambodian Government.

In the recent period of peace and national harmony—which was brought about through the national elections held in May 1993 under the supervision of the temporary UN authority in Cambodia, he was elected as a member of the assembly from Phnom Penh.

He was elected as the president of the National Assembly during the very first meeting of the Assembly of the Kingdom of Cambodia.

On 9 November 1993, His Majesty Norodom Sihanouk, the King of Cambodia, bestowed the title of samdech [excellency] on him.

Indonesia

Debate on East Timor Issues Continues

UN Double Standards Cited

LD0905155594 Lisbon Radio Renascenca in Portuguese to Europe 1700 GMT 8 May 94

[Text] The Timorese resistance has accused the United Nations of having double standards. In a letter to the UN secretary general the East Timor resistance says that the United Nations has double standards when it comes to defending universal principles. The letter, dated 31 March, and signed by Konis Santana, leader of the armed front, was given to Butrus-Ghali last Friday, the day the Portuguese and Indonesian foreign ministers met in Geneva. In the letter, revealed by the LUSA news agency today, the resistance leaders speak of cases where acts of aggression had failed, such as the Soviet invasion of Afghanistan, Vietnam's invasion of Cambodia and Iraq's invasion of Kuwait, in order to stress that the Indonesian occupation of East Timor has only given rise to UN resolutions which have not substantially altered the situation. According to Konis Santana, this situation continues because of the political, economic and commercial geostrategic interests of powerful nations, which lead the United Nations to use double standards when dealing with acts of aggression.

Resistance Leader Asks Portugal for Help

LD0905154994 Lisbon RDP Antena 1 Radio Network in Portuguese 1700 GMT 8 May 94

[Text] According to a LUSA report, Konis Santana, leader of the Maubere resistance, has sent a letter to [Portuguese President] Mario Soares on 31 March. In the letter the resistance asks Portugal for its commitment to the complete and unconditional release of [jailed resistance leader] Xanana Gusmao and of all political prisoners captured by the Indonesian authorities. The resistance also wants Xanana to participate in the talks between the Portuguese and Indonesian governments now that progress has been made at the negotiations.

Official Regrets Planned Manila Meeting

BK1105141594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 May 94

[Text] Indonesia deeply regrets a plan for a conference on East Timor in Manila, the Philippines, to be held from 31 May to 2 June. The director for foreign information, Irawan Abidin, stressed that Indonesia is not pleased with the plan in view of good Indonesian-Philippine ties, particularly within the context of ASEAN. Local newspapers have reported that a conference on East Timor sponsored by a number of non-governmental organizations will be held at the state-run University of the Philippines.

* Suharto on Political, Economic, Trade Issues

Prepared To Extend Term as NAM Chairman

94SE0110B Jakarta BISNIS INDONESIA in Indonesian 30 Mar 94 pp 1, 18

[Text] New Delhi (BISNIS)—President Suharto is prepared to extend his term of office as chairman of the Nonaligned Movement [NAM] for six months to a year when his term ends in 1995 if NAM member countries have not been successful in finding a successor.

The willingness of Pak Harto [President Suharto] to extend the term as NAM chairman applies only if NAM countries face difficulties in finding a new leader, Foreign Minister Ali Alatas said, as reported from New Delhi yesterday by BISNIS correspondent Tarman Azzam.

Accompanied by Minister of State and State Secretary Murdiono, Ali Alatas reported the results of a meeting between President Suharto and Indian Prime Minister Narasimha Rao in New Delhi Monday night [28 March].

In his meeting with Rao, President Suharto explained Indonesia's view, namely that NAM chairmanship succession should be conducted in an orderly way so that more members will hold the position for leading the developing nations.

The Indian prime minister was told of the NAM chairman's views on the importance of the World Population Conference in Cairo, Egypt, from 1 to 4 June, when it is hoped that a decision will be made on NAM leadership.

The meeting in Cairo will be preceded by a meeting of NAM foreign ministers on 30-31 May, Ali Alatas said.

Murdiono said that Indonesia's term of office as NAM chairman will end in 1995. Indonesia's willingness to extend the term is only to permit the next candidate for the NAM chairmanship to prepare itself in the best possible way.

The subject of extending Indonesia's term of office as NAM chairman surfaced because several member countries asked Indonesia to hold the office for another term.

According to Murdiono, Indonesia's basic position is that it is not good for a person to be NAM chairman for two successive terms. In this case, Pak Harto wants the NAM fully to uphold the basic principles of the NAM organization.

* Concerned About Lack of Unity in Golkar

94SE0115A Jakarta SUARA KARYA in Indonesian 29 Mar 94 pp 1, 8

[Text] Suharto, chairman of GOLKAR's [Functional Groups Organization] Development Board, has asked for an increase in coordination, integration and communication among the three tracks, A, B and C, within the Greater GOLKAR Community. Coordination among

these three tracks must be carried out periodically, or if possible constantly, using the principles of mutual respect and openness by creating close relationships among the tracks so that joint social and GOLKAR problems can be solved quickly.

Suharto, chairman of GOLKAR's Development Board and president of the Republic of Indonesia, expressed these thoughts in his written recommendations delivered by Azwar Anas, the coordinator of GOLKAR's Development Board's Duty Presidium, at the opening of the 1994 National Working Meeting (RAKERNAS) of GOLKAR's DPP [Executive Board], which took place in the auditorium of the DPP offices in Slipi, Jakarta, yesterday morning. The top leader of track A, General of the Army Feisal Tandjung, and of track B, Minister of the Interior Mohammad Yogie S. Memet, also attended the opening ceremonies.

Besides stressing the importance of unity among the three tracks, the Chairman of the Development Board also advised all of GOLKAR's cadres on the proper attitude to take towards various political issues which are now critical to our society. One of them is the issue of the undercurrent.

The Undercurrent

Mr Suharto said that the issue of the undercurrent, which has continued to develop recently and which has become a tough problem for the Greater GOLKAR Community, must be overcome immediately because it will eventually damage GOLKAR. The Development Board believes that basically no undercurrent is developing. "A small number of people have misused the name of the many and have called themselves the undercurrent," he said. What is actually happening is a kind of manipulation because in fact those politics are no different from various kinds of manipulation.

Speaking about the issues of collusion and other defalcations which have surfaced recently, the chairman of the Development Board asked GOLKAR to be capable of anticipating and overcoming them in accordance with the constitution and the laws based on PANCASILA [Five Principles of the Nation]. At the same time, GOLKAR must continue to push for the creation of a professional, honest, clear and authoritative government apparatus as the servant of the state and of the people, ready to protect, serve as a model for, serve and value the rights and obligations of every citizen without exception. This apparatus must avoid provocative actions which have no basis in facts or figures but must be based on the rule of law.

Speaking of the problem of succession, which the mass media has discussed a lot recently, Mr Soeharto reminded the audience that we should always be guided by the constitution which was approved by the people through the MPR [People's Consultative Council]. The Development Board believes that a lot of fuss should not be made over this issue because there already is a mechanism for succession, i.e., the five-year leadership

mechanism. "Through this forum GOLKAR's cadres should be able to explain this to the broader public in the provinces," he affirmed.

The Chairman of the Development Board also reminded the audience that the excellent record already achieved at each general election must be maintained and this can at the same time be a counter to the issue of the single majority developed by the other side. The issue of the majority and the possibility that a dictatorship of the majority will arise are false. "Because after five victories we have not become dictators; in fact, we have always valued the opinions of the masses and have accommodated their aspirations," he said.

General Election Laws

Another matter about which we must be cautious, said the Chairman of the Development Board, is the other side's desire to reconsider and change the present general-election laws. The Development Board believes that the existing general-election laws are still sufficiently relevant to current conditions and therefore should be maintained.

GOLKAR's victories in five general elections are proof that the people trust GOLKAR so much that they channel their aspirations to GOLKAR. The people's trust cannot be ignored. "It is the task of GOLKAR's cadres to continue to build up GOLKAR support so that in the upcoming 1997 general elections supporters will continue to put their support and confidence in GOLKAR again," said Mr Suharto.

In facing these problems, said Mr Suharto, we must really develop GOLKAR cadres, those in the legislative ranks, in the administration and in the social and professional/functional organizations; organizational discipline must continually be increased. "Long before making a decision, the coordination of the three tracks must be increased," he warned. Instructions about decisions already agreed to in the capital must be given to and implanted in the provinces so that the same consensus is reached in both the capital and the provinces.

As part of the effort to win the upcoming 1997 general elections, according to the directives issued by GOLKAR's Development Board, the provinces in which there was a decline in GOLKAR votes in the 1992 general elections must be evaluated as soon as possible. GOLKAR must pay the most attention to the cultivation of those provinces. Preparations must be made to cultivate public issues in the form of real actions which GOLKAR raises and realizes.

Mr Suharto said that cultivating supporters person by person must be based on principle of no day is to pass without cultivating supporters through the following approach: each GOLKAR cadre is obliged to develop GOLKAR supporters, at the very least those who live "on the same mattress," "in the same kitchen" and "use the same well". In addition, efforts must be made to cultivate new voters, of whom there will be 21 million at

the upcoming 1997 general elections. One way to cultivate them is for every DPD II [Provincial Parliament] to hold a yearly hiking contest for Junior High School and Senior High School students and for vocational schools at the same level, the prize being a one-year scholarship. Mr Suharto also reminded the audience that capable, well-known campaigners capable of attracting public support must be gotten ready as soon as possible.

GOLKAR Cadres

In carrying out provincial duties, the Chairman of GOLKAR's Development Board urged that each and every task be carried out with an attitude of unity, harmony and permanent communication among the members of the Greater GOLKAR Community. Besides that, GOLKAR cadres in the ranks of the legislature and in the professions and functional groups must also increase their sensitivity so as to be able to grasp and realize the aspirations developing within society.

"Because an inability to grasp and fight for the aspirations living and developing within society might harm GOLKAR in the future," affirmed Mr Suharto. At the same time, any policy considered harmful to society or the actions of any tainted figure must be prevented as soon as possible.

GOLKAR's caderization, said Mr Suharto, must produce the following vision and ideal: GOLKAR is always prepared to respond to challenges and is always responsive to the needs of the people. Without that condition, caderization is merely ceremonial action and only follows the words of the constitution but neglects its spirit. In this respect, GOLKAR is being tested. Can it regain the trust not only its traditional supporters but also of the 21 million new voters in the 1997 general elections?

Speaking of cadre management, the Chairman of GOLKAR's Development Board suggested that data on membership and cadres be updated immediately and accurately, emphasizing the recruitment of quality cadres. Putting the education and training of cadres on a firm footing must be implemented in an integrated, planned, guided, graduated and uninterrupted way. These initiatives include tools for evaluating the achievements of cadres and the compilation of criteria for that purpose, as well as assigning tasks to cadres in a conceptional way.

A National Viewpoint

Mr Suharto reminded the audience that GOLKAR must continue to strengthen its commitment to PANCASILA, which is to be implemented by its being in the forefront of instilling and implementing PANCASILA. The purpose of this is to heighten vigilance and to make an effort to counter various ways of thinking, concepts and ideologies which are in conflict with or not in accordance with PANCASILA, and which are being practiced by certain parties, in particular the intensive efforts being made in

various ways by certain parties to inject ways of thinking, concepts and ideologies which are not in accordance with PANCASILA.

For that reason, GOLKAR must also strengthen its commitment to instilling a national viewpoint which is reflected in the patterns of thought, action, work and works which have a national viewpoint. Efforts to strengthen this national viewpoint continue to show their relevance because of the two contradictory trends which have affected the world in our times. First, the trend towards globalization marked by a trend towards a uniformity of value systems, patterns of thought, work, and production. The second trend is an atavistic attitude and a narrow concept of nation. Such a concept is now affecting certain regions and nations so that tendencies in that direction have succeeded in splitting apart a nation and state and eventually that nation and state disappears from the world political map. "We have had a lot of experience with that and we don't want to undergo that again," he said.

Efforts to put that national viewpoint on a firm footing show the relevance of government programs to eradicate poverty. That is why the Development Board invites all parties to foster and develop feelings of social solidarity with those who live below the poverty line, with those who always suffer catastrophes and natural disasters and with the less fortunate.

The National Working Meeting which opened yesterday will end on 31 March. Except for the opening and closing ceremonies, all activities are closed to the mass media. Harmoko, General Chairman of GOLKAR's DPP; Army General Feisal Tandjung, Chairman of track A of the Greater GOLKAR Community; Minister of the Interior Mohammad Yogie S. Memet, Chairman of track B of the Greater GOLKAR Community; and Ginandjar Kartasasmita, Minister of National Development Planning and Chairman of BAPPENAS [National Planning Board] gave briefings at the National Working Meeting.

Orders Study Into Drop in Exports

BK1105130194 Jakarta THE INDONESIA TIMES in English 5 May 94 p 1

[Text] Jakarta—President Suharto has ordered on Wednesday to find out why the country's exports have dropped and that steps have to be taken to correct the situation for the sake of the country's foreign exchange income, Information Minister Harmoko said.

Speaking after a limited cabinet meeting with President Suharto, Harmoko also said that the president had asked for a close observation on the inflation rate which stood at 0.24 percent in April and 0.70 percent in March.

Accordingly, surplus of the country's trade with partners from Hong Kong, Japan, China, United Arab Emirates, and Thailand had dropped in January this year.

But its trade with the United States, the Netherlands, Britain, South Korea, and Benelux had surplus increase.

Indonesia had a surplus of U.S. \$649.2 million in February with exports standing at U.S. \$2.7999 billion and imports at U.S. \$2.1507 billion, Harmoko said.

He said the total value of Indonesia's exports from April 1993 to February 1994 reached up to U.S. \$33.3964 billion, while its imports were valued at U.S. \$26.2405 billion, leaving a surplus worth U.S. \$7.1459 billion.

Harmoko said the money circulated in March totalled to some Rp. [rupiah] 38.452 trillion (U.S. \$19.226 billion).

Inflation went down because of the drop in the index price of food stuffs which was recorded at 0.71 percent in April or down from 1.61 percent in March.

The house index price only increased by 0.40 percent while garments only 0.29 percent far below from the 1.41 in March.

But the supply and demand for strategic commodities is balanced, Harmoko said.

President Suharto, on the same occasion, had also specially asked to give attention to cocoa marketing and quality control, knowing that this commodity is being produced mostly by smallholders, he added.

Focuses on Raising Farmers' Incomes

94SE0098A Jakarta KOMPAS in Indonesian 11 Feb 94 pp 2, 15

[Text] It is very important to raise farmers' incomes in the Second Long-Range Development Plan (PJPT II). The farm sector will remain an important factor because it is still the main source of income for the Indonesian people.

President Suharto stressed this point at a ceremony held in the State Palace, Jakarta, when he presented honors to winners of the 1993 national intensification contest on Thursday (10 February). Mrs. Tien Suharto, Vice President Try Sutrisno and Mrs. Try Sutrisno, several members of the Sixth Development Cabinet and Minister of Agriculture Sjarifudin Baharsjah were present at the ceremony.

On this occasion the president symbolically gave a savings account of five million rupiahs and a hand tractor to the winner of the first prize, Super-INSUS [Special Intensification] Unit Number 1 of Cilacap County, Central Java; the prizes were accepted by Hidayat, the chairman. The same prizes were given to A. Wakidi, Chairman of Tani Sumber Makmur Group III and KUD [Village Unit Cooperative] III of Sragen County, East Java.

As the first-prize winner in the 1993 Mina Padi intensification contest, the Mina Rejeki farmers' group and the Bangun Tani KUD from Banjarnegara received a savings account of 5 million rupiahs, a power thresher unit, fishing equipment and all administrative necessities. All

of these prizes were accepted by Head of the Administrative Section NA [expansion unknown] from the Mina Rejeki farmers' group.

Another saving book with the same amount of money, ship chandler's equipment and all administrative necessities were also given to Liwondullah Kuswanto, chairman of the Bakung farmers' group and to the Mina Suryo KUD of Cilacap, Central Java. This group was the first-prize winner in the 1993 fish-catching contest.

Mrs. Tien Suharto symbolically gave a soy-cake slicing machine and three dozen plates to Mrs Chr. Suryanti, a female farmer from the Sumber Makmur III Farmers' Group of Sragen. The same prizes were given to Mrs. Kuryati, a female farmer from the Mina Rejeki farmers' group of Banjarnegara accepted [as published] and Mrs. Dariyah Manijo, a female farmer from the Bakung farmers' group of Cilacap, Central Java.

Primary Source

The president stressed that efforts to increase farmers' incomes is no less important than other initiatives. During PJPT II the farm sector will continue to be the primary source of income for most Indonesians.

At the same time, along with the increase in population and the increase in people's income, the demand for farm products is also increasing. On the other hand, these developments reduce the amount of farm land. "That is why we must be able to increase the ability of farmers to raise the scale of their farm enterprises through the development of group farm enterprises through the application of various aspects of agribusiness and agroindustry," the Head of State said.

These measures, said the Head of State, must also be matched by an increase in the role of the KUD in servicing farm production, capital and marketing. It is hoped that these efforts will give an increased value to farm enterprises oriented toward agribusiness.

In addition, to raise social well-being on a broad scale in the years to come, the president continued, the farm sector must continue to be developed along with the development of the populace so that the agricultural sector can continue to play its role and will be able to supply the food needs of the entire population of Indonesia.

The agricultural sector must also be capable of providing an incentive for the growth of domestic and export industries, as well as take part in producing equitable growth and in increasing village dynamics. The president also stressed that sustaining self-support in food must at the same time be directed toward increasing the quality of nutrients that people consume. That is why self-sufficiency is not limited to just rice but also covers diversification of food production and consumption. Once again the president stressed, "no less important is increasing farmers' incomes".

He suggested that raising the living standards of farmers, the largest sector of society, has been in the center of the developmental battlefield from the start. That is also why the field of agriculture always gets the most attention.

But he admitted that developing agriculture is not an easy task which can be carried out quickly. The development of agriculture requires perseverance and takes a long time. The president said that development efforts have yielded satisfactory results, proved by ever-increasing farm production which has resulted in self-sufficiency.

The president hopes that we can continue these initiatives and at the same time try to increase farmers' income so as to decrease the number of farmers living below the poverty line.

At the same time, Agriculture Minister Sjarifudin Baharsjah said that the goal of these activities is to provide the farmers' groups and the KUDs with the greater motivation and energy needed to persevere, and be diligent and energetic. It is hoped that the heads of development-unit agencies and BIMAS [Mass Guidance] managers will increase their cooperation in developing and servicing the KUDs and the farmers.

Moreover, it will encourage the cooperation and partnership between farmers who participate in farmers' groups with KUDs and development companies [as published]. He also said that these measures will also increase farmers' production, income. .

Future Role of Natural Gas, Oil Imports
94SE0102A Jakarta ANGKATAN BERSENJATA in Indonesian 7 Mar 94 pp 1, 10

[Text] Jakarta (ANGKATAN BERSENJATA)—President Suharto has warned that although Indonesia is rich in oil and able to export it, there is a possibility that Indonesia may become an oil importing country in the future.

"The demand for petroleum, which is now the main source of energy, will continue to grow as the incomes of the people rise. Therefore, although Indonesia is still a petroleum exporting country, with the present growth in consumption it will be a petroleum importing country in the future."

The chief state said this Saturday [5 March] as he inaugurated the PERTAMINA [National Oil and Natural Gas Company]-Atlantic Richfield Bali North, Incorporated, [ARBNI] natural gas production and transport facilities in the Pagerungan Islands and the PERTAMINA-Atlantic Richfield Indonesia, Incorporated, [ARII] natural gas production and transport facilities at Sidoardjo in East Java.

Therefore, according to the president, efforts to conserve and diversify energy sources must be made consistently

and continuously. In this connection, the use of natural gas, the reserves of which are quite large, is very important.

The chief of state said that the use of natural gas as a raw material in making fertilizer has stimulated development in the agriculture sector. Through the success of agricultural development, millions of farmers have increased their earnings, and the growth of domestic industry has been stimulated.

"Natural gas has now become an important export commodity. No small amount of foreign exchange has been earned from natural gas exports," the chief of state said.

Indonesian natural gas enters a new era with the inauguration of these two projects in the natural gas sector. The Indonesian people will use natural gas on a large scale for domestic needs.

Natural gas flowing through the PERTAMINA-ARII production and transport facilities off the northwest coast of Java will be used to fuel the steam-electric power plants at Muara Karang and Tanjung Priok.

With the construction of Pagerungan PERTAMINA-ARBNI natural gas production and transport facilities, all the fuel requirements of the gas-fueled steam power plant at Gresik will be met. Gas from that project will also be used by the State Gas Company to meet the needs of homes and small industry in and around Surabaya and as a raw material for the petrochemical industry.

Indonesia is now experiencing a great increase in electric power demand because of the progress of industrial development. If that demand for power cannot be met, the industrialization process will be hindered.

The chief of state said that because of the importance of natural gas to future development, the government will keep encouraging exploration activity. Although natural gas reserves are now quite large, the search for new reserves needs to continue into order to meet long-term demand.

"There is a good possibility of this, because geologically Indonesia possesses very great natural gas resources. I am confident that, with the support of advances in science and technology, there is still a great possibility of finding new oil and gas in Indonesia," the chief of state said.

It is hoped that the success achieved by ARRI and ARBNI under production-sharing contracts will create optimism among other contractors working in Indonesia that there is a big chance of finding new oil and gas in the country.

The chief of state said that in the development of oil and natural gas efforts, the government has listened to complaints about oil and natural gas exploration in Indonesia. A positive dialogue needs to be developed between

PERTAMINA and its partners with regard to the various methods that can enhance their mutual benefit.

In this connection, on 31 December 1993 the Indonesian Government issued a new incentive package that is more conducive to exploration and production activity.

Background

At the beginning of 1992, PERTAMINA and ARCO Indonesia contracted with PLN [State Electricity Public Corporation] to supply 260 million cubic feet of natural gas per day for 11 years beginning in 1994.

The natural gas will be used as fuel for the gas-fueled steam power plants at Muara Karang and Tanjung Priok, which are long-term projects scheduled for phased implementation. The first phase, implemented on 1 September 1993, was conducted as a "fast track" by the direct appointment of an implementing contractor.

The second, third, and fourth phases are to supply 50 million cubic feet of natural gas per day from the Bima and Northwest Corner Fields and develop existing natural gas reserves as an effort to maintain natural gas supplies until 2004. Initial capital for phase one until production will be more than \$300 million. For development through phase six, the total cost is estimated to be \$824 million. This investment will be used to expand 5 platforms to 29 platforms, 135 kilometers of pipeline to 423 kilometers, and 11 production wells to 89.

Benefits

Many benefits of the presence of ARCO at Pagerungan were reported to President Suharto, but the president did not accept the reports at face value. In a dialogue with members of the Pagerungan community who gathered at Permisan Village, Jabon, Sidoarjo, the president asked them directly about the benefits of the presence of ARCO in its involvement with natural gas.

Haji Djaelani, leader of the "Abu Hurairah" Islamic Boarding School at Pagerungan frankly answered the president by saying that the presence of the project is very beneficial to residents of Pagerungan. "Damaged, unusable school buildings, both secular and Islamic, have now taken on a new look," he said. Similarly, a fisherman from Wadjo, who had long lived there, expressed his many thanks for the project.

Also, a teacher from there has experienced the facilities: ARCO has built a new school, and he obtained a new house near the school. A cooperative managed by teachers has been developed, too. A Pagerungan PKK [Family Welfare Development] manager asked for communications facilities to facilitate his work of visiting isolated groups on some of the islands. "I request communications facilities to facilitate my work," he said expectantly.

The president later asked ARCO to take part in considering the request. A young man then followed by speaking of the potential of existing neighborhood youth

associations. The president asked the young man to take part in finding alternatives for fishermen who cannot go to sea in the off-season so that their energies can be put to use. He said that Pagerungan fishermen cannot work during the westerly monsoon. "Find a good alternative—using other skills, naturally—so that fisherman can continue to work during the westerly monsoon." The regent of Sumenep also accompanied members of the community in the dialogue with the president.

* Official Concerned About Loan Transactions

94SE0109A Jakarta BISNIS INDONESIA in Indonesian 16 Mar 94 p 1

[Text] The head of the APBN [State Budget] Commission of the DPR [Parliament] believes that problem loans and nonperforming loans made after the KLBI [Bank of Indonesian Liquidity Credit] was halted in January 1990 were caused by debtors manipulating their equity by marking up the projects funded with that credit and by using part of the KLBI funds for other projects.

Aberson M. Sihaloho, Deputy Chairman of the DPR's APBN Commission, said that as soon as the KLBI was halted at the beginning of 1990 through the issuance of the 29 January 1990 policy package known as the January Package, the number of problem loans rose sharply.

He then mentioned that the percentage of problem loans in government banks, about 6 percent in 1990, rose to 11.8 percent in 1991, rose again to about 15.8 percent in 1992, and in 1993 it rose to 21.2 percent of the total credit of 91.8 trillion rupiahs granted by BUMN [State-Owned Enterprise] banks.

"The Minister of Finance himself presented these figures at a working meeting with the APBN Commission," said the Representative in the DPR building yesterday.

Aberson said that the problem loans occurred because debtors who obtained low-interest KLBI loans at around 14 percent interest increased their equity by marking up the value of their projects or their capital goods. "So that equity reached 25 percent, as was required at that time, but in reality it wasn't that high," he said.

At the same time, Aberson added, debtors who obtained KLBI loans used part of the credit for other projects which had no connection with the projects funded by the KLBI, for example for investment in hotels or other enterprises; some was even deposited in banks.

So that, Aberson continued, when the due date arrived and the debtor had to pay the instalment payment and the interest, the project funded by the KLBI was unable to pay the obligation because the real value of the project was less than what was submitted in the credit proposal. "Debtors who obtained a KLBI manipulated the equity from the proceeds of their project mark-up, said Aberson, a member of the FPDI [Indonesian Democracy Party Faction] of the DPR.

As Aberson said, Sumarlin's statement made when he was still Minister of Finance in 1990 when he explained the 1990 January Package alluded to the fact that the debtors had diverted the KLBI funds.

Sumarlin said that the KLBI had weaknesses and problems. "Many KLBI loans which carry low interest rates and which frequently cause distortions in allocation and evaluation are still used in our present system of national credit," Sumarlin said at that time.

Sumarlin said that what happened was that low-interest cash loans were then deposited in banks.

"As a result of actions such as that, loans obtained by debtors before the beginning of 1990, including KLBI loans obtained by Eddy Tansil of the Golden Key Group, became problem loans, which are not very different from nonperforming loans," said Aberson.

Nonperforming loans not yet turned over to the State Auction and Loan Affairs Board [BUPLN], Aberson said, are still considered problem loans by the bank concerned. "It is not until it is turned over to the BUPLN that it becomes a nonperforming loan," said Aberson.

* EAGA To Boost Growth in Eastern Region

[Editorial Report] The 11 April Jakarta BISNIS INDONESIA in Indonesian on page 5 reported that the recently established East Asian Growth Area [EAGA] encompassing the eastern region of Indonesia, the Malaysian states of Sabah and Sarawak, Brunei, and the Mindanao islands of the Philippines—is expected to increase Indonesia's exports from its eastern region. Marketing agricultural commodities from North Sulawesi to Mindanao will be easier, according to Minister for Trade and Industry Hartarto, and transportation cost for exports to Japan and South Korea will be reduced because of the accessibility of the northern sea lanes instead of going through the traditional route of the Strait of Malacca or Singapore. Minister Hartarto stated that EAGA may eventually even serve as a gateway for trade in Asia and the Pacific region. Hartarto added that the government will establish incentives to encourage businessmen to develop the area, and local governments will be given full authority to work with the private sector.

* Poverty Rate Said To Decline Over Past 3 Years

94SE0111A Jakarta KOMPAS in Indonesian 25 Mar 94 p 2

[Text] Over the last three years the number of Indonesians living below the poverty line declined by about 1.8 million people (1.39 percent). In 1990 27.7 million Indonesians (15.08 percent) were living below the poverty line; according to a 1993 National Socioeconomic Survey (SUSENAS), this figure has dropped to 25.9 million people (13.67 percent).

Minister of State for National Development Planning/Chairman of BAPPENAS [National Planning Board] Ginandjar Kartasasmita, Minister of State/State Secretary Moerdiono, Deputy Chairman of BAPPENAS Rahardi Ramelan and Deputy Chairman of the Central Bureau of Statistics (BPS) Sugito reported the results of the 1993 SUSENAS to President Suharto at the president's office in Jakarta yesterday. The report also included preparations for submitting the DIP [Approved Projects List], including REPELITA VI [Sixth Five-Year Development Plan].

Ginandjar told the press that the decrease in the number of people living below the poverty line or below the sufficiency limit shows that development has resulted in fewer poor people, in both absolute and relative terms.

The 1993 SUSENAS used new methods which are more accurate and broader and which had a lot of input from international institutions, including the World Bank. "The World Bank used to criticize the way we made our calculations," he said. "Now there is a higher percentage of poor people in the villages than in urban areas, whereas previously it was the opposite," Ginandjar continued.

He also stressed that under the new way of calculating, which takes into consideration the pace of inflation and the price index, the number of poor people, in the villages as well as in the cities, has decreased in both absolute and relative terms. "So as we come to the end of the PJP I [First Long-Range Development] the number of poor people has declined from the 70 million at the start of the New Order (about 60 percent) to 25.9 million (13.67 percent). This is a very satisfying figure," he said.

Improved Method

Deputy Chairman of the BPS Sugito said that the method used in 1993 for calculating the number and percentage of poor people was an improvement over the method used in 1990.

He explained that the method had to be improved because given the developments that have taken place since REPELITA I there are some commodities which the masses, even those of the lowest class, had not consumed at that time but were being consumed a lot now. Sugito said that formerly only 14 commodities were consumed in urban areas and 12 in rural areas. Starting with 1993 and into the future 46 commodities will be used in the nonfood commodities package. A distinction will be made between rural and urban areas. The commodities will be the same, but the patterns of consumption will differ.

For example, it turns out that expenditures for those 46 commodities are different for people in the lowest class in rural and urban areas even though the commodities are the same. The volume of consumption differs. For example, more meat is consumed in the cities than in the villages.

Rice consumption is relatively higher in the cities since it turns out that in the villages people consume corn, dried cassava, yams, etc. as well as rice.

He said the number and percentage of poor people was calculated by setting a sufficiency or poverty limit. The figures used are SUSENAS's expenditure figures. The poverty limit is calculated by adding the food sufficiency limit to the nonfood sufficiency limit.

The food sufficiency limit used under the old method was based on the minimum requirements for food in order to lead a healthy life, i.e., the equivalent of 2,100 calories per capita per day. The value of the food sufficiency limit was obtained by calculating the rupiah value of 2,100 calories, without taking into consideration the type of food commodities consumed.

Under the new method, the food sufficiency limit is calculated by first determining the commodities package which should be consumed by a person so that he can live a healthy life, a caloric content of 2,100 calories. The BPS considers 52 food commodities representative of the consumption patterns of lower-class people. The rupiah value of these 52 commodities is defined as the food sufficiency limit.

Under the old method the nonfood sufficiency limit was calculated by defining a number of nonfood commodities as the commodities which should be consumed. A distinction was made in the number of commodities in rural and urban figures, 14 for urban areas and 12 for rural areas. This commodities package, said the deputy chairman of the Central Bureau of Statistics, was felt to be increasingly unrepresentative of the consumption patterns of our developing nation.

Under the new method the package of nonfood commodities covers 46 commodities, undifferentiated for urban and rural areas. So the difference in the value of the nonfood sufficiency limit between the urban and rural areas may be due to a difference in the volume and price of the commodities consumed.

The nonfood commodities were selected on the basis of the weight given to each commodity in the consumption pattern of the people, reflecting the quality, price and frequency [of the commodities] which the people consume.

Results of the Calculations

The Deputy Director of the BPS said that under the new method the poverty line for urban areas in 1993 was 27,905 rupiahs, which consists of a food sufficiency limit of 23,303 rupiahs and a nonfood sufficiency limit of 4,602 rupiahs. The rural poverty line was calculated at 18,244 rupiahs, which consists of a food sufficiency limit of 15,576 rupiahs and a nonfood sufficiency limit of 2,668 rupiahs.

He also explained that based on the new method there were 8.7 million poor people (13.45 percent) in urban areas in 1993 and 17.2 million (13.79 percent) in rural

areas. The number of poor people thus totaled 25.9 million (13.67 percent) in 1993. Under the old method the total number of poor people was 25.5 million, 9.1 million (14.20 percent) in urban areas and 16.4 million (13.13 percent) in rural areas. The number and percentage of poor people under the new method was thus not much different from the figures obtained under the old method.

Under the new method, the number and percentage of poor people in rural areas was slightly higher than under the old method. On the other hand, the number and percentage of poor people in urban areas was lower than under the old method. This difference was caused, in part, by the fact that under the new method the nonfood sufficiency limit for rural areas was higher than under the old method, i.e., 2,668 rupiahs compared to 1,149 rupiahs. The figures for the poverty level and the number and percentage of poor people at the provincial level in 1993 are shown in the table.

Thailand

Former Foreign Minister Assails U.S. DEA Probe

*BK1105065194 Bangkok BANGKOK POST in English
11 May 94 p 5*

[Letter from Thanat Khoman, former foreign minister, in the "Post Bag" Column]

[Text] SIR: Once again, the World Accuser swells his throat to shout accusations against Thailand when the US State Department alleged that cadres (narcotics) have allies in government offices, banks and law enforcement agencies which, according to that source, allowed illicit drug trade to flourish in Thailand. This statement reflects the accusers' own rich experience and practices. How? 1. The United States, or at least the CIA, under George Bush, used General Noriega, now imprisoned in Florida, as its salaried agent, to get involved in drug operations in Latin, and particularly South and Central America. When that agent became indocile, Bush sent armed forces to capture him and, in the process, committed a dastardly massacre of innumerable innocent Panamanian people.

2. As to drug money laundering, American officials and others know something about it. A certain Clark Clifford, who was once US Secretary of Defence and later became president of an important bank in New York, was arraigned before a law court there accused of involvement in drug money laundering through his bank collaborating with the famous BCCI. He was subjudice until the time when the Democrats, having won the elections, pulled him out of that predicament for ill-health reason. That was the way how justice operates in that wonderful land of super race and super virtuous men.

3. To me and, I am sure, to many Thais, the acceptance of the miserable US\$2 million, for cooperation in drug

matter, undeniably hurts our national pride. That loathsome money should be returned to the donors with our thanks, as they may need it for use elsewhere. And, the sooner the better. We will help raise funds to replace that insulting money, which has made it possible for that foreign government to send DEA [Drug Enforcement Agency] agents here. One of them, not long ago, killed a suspect without due verification. The affair was hushed up, and the culprit was shipped out with collusion from our authorities.

4. I hope that, after the recent accusation, the Thai side will review the matter and take appropriate step in the right direction. We should be wise enough to realise that this is a way to "pass the buck" and the blame upon us, to be used as the scapegoats, while the principal party—namely the United States and a number of Western nations—are fuelling it by insatiable demands as their local consumption continually increases, causing greater difficulties for us to curb and suppress production. The United States and its Western cronies are, in fact, directly responsible.

5. The question which comes to the mind of many people is how a government, which cannot maintain law and order in its own country where crime rate in its own capital city rises by some 50 per cent to the point that its mayoress had to ask for the intervention of the National Guard, has the indecency to preach lessons and make accusations against others? It would certainly earn more respect and credibility by observing the elementary honesty and recognise its own defects and concentrate on setting its own house in order.

Editorial Says Wirth 'Misguided' on Burma Policy

BK1005072594 Bangkok BANGKOK POST in English
10 May 94 p 4

[Editorial: "U.S. Must Clear Up Slip-up on Burma"]

[Text] The call by a senior American policy-maker for increased U.S. ties with Burma needs to be quickly dismissed before it is mistaken for an actual Washington plan. State Department Counselor Tim Wirth's proposal to reverse U.S. action and widen contacts with Rangoon is badly misguided. His senior rank among U.S. officials lends unwarranted emphasis to his call for a new American policy on Burma. U.S. direction on Asian relations has recently come under internal fire from major Clinton administration officials. Mr Wirth's sudden and confusing recommendation for reversal of a stable Burma policy needs to be quickly clarified.

Mr Wirth is a former U.S. senator, with acknowledged expertise on narcotics matters. In an interview with the REUTER news agency last week, he recommended "more dialogue" between Washington and the Rangoon junta. Without providing details, Mr Wirth said such contact would reduce a huge outflow of heroin to the United States and other countries. He recommended

ignoring the continuing and massive repression of Burmese in favor of his emphasis on the drugs problem. "I'm thinking of young people on the streets of the United States of America who are directly impacted by that," he told his interviewer. "That should be our priority."

Not even our own government's policy of "constructive engagement" is as cynical as Mr Wirth's proposal. The U.S. official's proposal would completely overlook the massive and violent abuses of Burmese citizens; At least the Thai—and ASEAN—approaches to Rangoon aim at reversing repression by the State Law and Order Restoration Council (SLORC). Mr Wirth, as a former politician, may feel he still must serve an exclusively American population. The only satisfaction we can draw is from a fellow official in the State Department who said Mr Wirth's proposal was "unlikely to be met with much enthusiasm."

Available evidence shows SLORC has neither the desire nor the ability to launch an effective anti-narcotics program. SLORC leader Lt Gen Khin Nyunt claimed last January his regime would move against narcotics peddling. The reality has been the opposite. An alleged military attack on warlord Khun Sa evaporated two months ago without a single gain. Opium growing and heroin refining continues to grow in northern Burma. SLORC has shown no commitment to combat such growth. In addition, troubling reports of direct links between narcotics dealers and SLORC officials continue unabated.

The proposal to put Rangoon and Washington on an equal diplomatic footing is misguided. Since it took power in 1988 over the bodies of thousands of dead citizens, SLORC has shown few signs of compassion. For five years, it has kept its best-known and most peaceful citizen imprisoned at home. Aung San Suu Kyi said in a recent interview she remains determined to continue her struggle for a democratic Burma. The world's only super-power should do no less.

There may be no absolutes in diplomatic affairs. But the lack of goodwill from SLORC is clear. Mr Wirth's proposal to give status to the Rangoon junta in the mere hope it might respond is misguided. SLORC has had many years and opportunities to improve its image through direct action. Instead, it has continued one of the most repressive systems of governments of our day. There are several opinions and policies about how to change this. Mr Wirth's proposal merely to overlook them and to have faith that heroin exports will decline is a major act of faith. Beside this, the Thai government's hope that a slow increase in economic and diplomatic relations will encourage an easing of SLORC's tyranny seems like a paragon.

The chief U.S. policy-maker for Asian affairs, Winston Lord, complained last week that U.S.-Asian relations have been sliding for the past six months. The confusing statement from Mr Wirth tends to back up this claim.

United States policy towards Burma has been clear, and firm, since 1988. Indeed, Mr Lord himself said a week ago that Washington intended to continue to disagree with ASEAN on the matter. "The United States wants Burma isolated while ASEAN is pursuing a policy of engagement," he said. If Washington is going to change this policy, it owes its allies a clear warning. If, as it should, the U.S. intends to continue to press SLORC for change, it must make this clear. Mr Wirth's statement has caused confusion. The Clinton administration should clear it up quickly.

Navy To Buy Two Second-Hand U.S. Frigates

BK1105063794 Bangkok THE NATION in English 11 May 94 p A2

[Text] The Cabinet has approved a plan to buy two second-hand frigates, each worth Bt1.5 billion, Defense Minister Wichit Sukmak said yesterday.

Wichit said that the Navy initially would purchase only one frigate as Thailand and the US still had to discuss details such as expenses for training crews and providing weapons on the ships.

"We have to thoroughly check everything first," he said.

Wichit said the frigates would be bought under a hire-purchase arrangement, which was considerably cheaper than buying new ships at Bt10 billion each.

The hire-purchase agreement will take effect in 1995 under a contract which has to be renewed every five years. Wichit said that the Navy would stop payments after the frigates reached 75 per cent of their life-span.

Meanwhile, commenting a report that the military was unhappy with its tight budget allocation, Wichit said that military accountants were trying to operate in line with government policy.

"We will spend on things which need prime attention first. However, we can ask the government to increase the budget if necessary," he said, adding that the final decision rested with the government.

Wichit conceded, however, that the budget restrictions would have some effect on the military structure. He stressed that the main duty of the armed forces was to protect the country. He added that an intelligence centre was crucial to the successful performance of the military.

Radio, Newspaper on Thai Involvement in Cambodia

Army Chief Refutes Claim of Thai Involvement

BK1005145894 Bangkok Radio Thailand Network in Thai 1200 GMT 10 May 94

[Excerpt] [passage omitted] Commenting to newsmen about the clash between Cambodian Government and foreign forces and the Cambodian remark that the foreign force was Thai, Army Commander General Wimon

Wongwanit said the Cambodian side made such a claim to justify the reality that the Cambodian force has not been able to defeat the Khmer Rouge. Another motive of the claim is to appeal for various kinds of international support. He said the Army has always asserted that it will not interfere in Cambodian internal affairs because Thailand wants to see peace in Cambodia.

Army Denies Soldiers Fighting With KR

BK0705101994 Bangkok THE NATION in English 7 May 94 p A2

[Text] The Army has denied that "foreign" troops killed and captured by Cambodian government forces during recent fighting with the Khmer Rouge [KR] were Thai soldiers.

It also denied providing any assistance to the Khmer Rouge and warned that it is running out of patience with Phnom Penh over repeated accusations of Thai military involvement with the guerrillas.

Army spokesman Col Phalangkun Klahan said that despite the Army's policy of non-interference in the Cambodian conflict it has often been accused of collaborating with the Khmer Rouge, in particular whenever Phnom Penh suffers a reversal on the battlefield.

He reiterated Army Commander-in-Chief Gen Wimon Wongwanit's insistence that no Thai paramilitary forces or troops were involved in the fighting in Cambodia. Thailand would gain no benefit by supporting the Khmer Rouge.

The spokesman questioned the efficiency of the Cambodian intelligence network. If it kept feeding wrong information to the government then victory would be extremely difficult for the Cambodian army.

Phalangkun said the Army is keeping a close watch on Agence France Presse, the French news agency which has been publishing allegations of Thai military involvement in Cambodia.

The agency most recently quoted the Cambodian Information Ministry spokesman Sieng Lapresse as saying that the government troops had killed and captured "several foreigners" dressed in black who were fighting on the side of the Khmer Rouge in the northwest.

While Sieng refused to say where they were being held, what languages they spoke or what kind of role they played in the fighting, he remarked: "I believe certain Thais wear black", a veiled reference to the Thai Ranger unit that patrols the border with Cambodia, said AFP.

Phalangkun said the AFP offices in Bangkok and Hong Kong were understanding when the Army tried to clarify Thailand's position on Cambodian affairs, but there had been no response from the AFP bureau in Phnom Penh.

He said the Cambodian conflict has placed the Army in a difficult position for over a decade and warned that

Thai patience was running out. Thailand, he added, wants a national reconciliation and an end to the fighting in Cambodia.

Foreign Minister Prasong Sunsiri yesterday refused to comment on a statement by Cambodia's King Norodom Sihanouk that Phnom Penh might approach foreign countries for military assistance.

"You should ask the countries which were mentioned by King Sihanouk," the minister told reporters.

He also would not comment on the possible affect of foreign assistance on Thailand's border security.

"I do not want to talk about it," he replied vehemently.

King Sihanouk on Wednesday said he might be forced to seek military help from the United States, France or Australia if the Khmer Rouge continued its war to partition the country.

On Tuesday Prasong warned against outside interference in Cambodia. He said he had made his feelings clear during a meeting with US Deputy Chief of Staff Adm Williams Owens on Monday, and would also convey them to the Australian and French governments.

Gen Charan Kunlawanit, chief of the National Security Council, said both Laos and Vietnam had previously rejected Phnom Penh's requests for arms.

Thailand shared the ASEAN policy of not assisting any of the disputing parties in Cambodia and saw arms supplies as a "militant measure" which supported homicide.

Bangkok wanted to provide humanitarian assistance, which would improve the living conditions of the general populace.

He said he did not believe that King Sihanouk, as head of state and a "popular world leader", would ask foreigners to assist in the killing of his own people.

The Thai Embassy in Phnom Penh, meanwhile, has made preparations to evacuate Thais living in Battambang and Sisophon if the military situation in the area worsens, the Foreign Ministry announced. A representative of the embassy yesterday called on Cambodian Foreign Minister Prince Norodom Sirivut to express the government's concern for the safety of Thais there, and asked for cooperation in the event of an air evacuation.

The statement said there were believed to be 28 Thais still in Battambang.

UNHCR Urges Speedy Repatriation of Lao
BK0705102794 Bangkok BANGKOK POST in English
7 May 94 p 6

[Text] National Security Council [NSC] Deputy Secretary General Khachatphai Burutphat yesterday urged the United Nations High Commissioner for Refugees

[UNHCR] to speed up repatriation of Laotians by setting up more reception centres in Laos.

"It is up to the UNHCR to speed up the repatriation of Laotians, not to allow it to drag on as at present," Mr. Khachatphai said.

The UNHCR "succeeded to repatriate some 300,000 Cambodians in one year," he said. "There are now only an estimated 25,000 Laotians left in Thailand and they want to go home."

The setting up of more reception centres in Laos would speed up the repatriation process and support Thailand's plan to close the last refugee camp for Laotians by the end of this year.

There are two reception centres in Laos, in Vientiane and the southern province of Savannakhet. In last week's repatriation movement, a group of 442 Hmong from the last Thai camp at Ban Napho in Nakhon Phanom province went to the reception centre of Hataifong in Vientiane.

The NSC deputy secretary expressed confidence that the UNHCR would receive financial support from private donors. The remaining Laotians were a comparatively small number, he said.

Laos is trying to speed up development and has achieved economic growth of no less than six-seven percent a year in the past three years.

Arrest of Muslim Clerics in South Editorialized
BK0705133294 Bangkok KRUNGTHEP THURAKIT in
Thai 7 May 94 p 2

[Editorial: "Do Not Sabotage the People's Faith"]

[Text] Four Islamic teachers were recently arrested in Songkhla Province's Chana District on several charges, including rebellion. Police authorities told a subsequent news conference they believe the accused are responsible for the bombing incidents that have taken place in different places in Songkhla, Pattani, and Narathiwat Provinces over the past two years. The worst of these incidents was the explosion at the railway station in Hat Yai District where three people were killed and seventy others injured.

During the arrests the police gathered more evidence—including firearms and documents in foreign languages—with which to incriminate the four preachers. The accused deny the charges, however, insisting that they have no connection with the movement responsible for those terrorist activities, which were designed to show off to some Middle Eastern countries and hence draw their assistance.

All four teachers are reportedly graduates from schools in the Middle East. Police authorities are still looking for their accomplices; some have reportedly fled and taken refuge in Malaysia.

It should be noted that the authorities have no evidence to link the four preachers to last year's torching of 35 schools in the four southern provinces. Some suspected arsonists have already been arrested, but the investigation has made very little progress.

The authorities were very careful in handling this case. The presence of senior police officers and the governor of Songkhla Province during the arrest of the four was an indication that the authorities must have sufficient evidence. The detention of the four preachers, though, has caused suspicion and resentment among some local Muslims as well as their students, who are very likely to hold a protest rally. Hopefully, such a rally will be peaceful, allowing justice to take its course. In any event, at this point the accused are still innocent because a court has not found them guilty.

We believe the arrests are a manifestation of the authorities' determination to punish the culprits and will serve to inform the general public about the Interior Ministry's endeavors in this particular case. Unlike the school arsons, the Interior Ministry has made progress.

We firmly believe that if the suspects have not committed the crimes they are accused of, the court of justice will set them free. The court's decision will depend entirely on the evidence both sides present during the trial. We therefore appeal to people who disagree with the arrest of the four suspects to be patient until the trial. We also appeal to the authorities to make sure they have sufficient evidence before they take anyone into custody, because they are playing with other people's freedom and could sabotage the people's faith in government.

Editorial Urges Force, Not Elections in Cambodia

BK1005071494 Bangkok THE NATION in English 10 May 94 p A6

[Editorial: "Fresh Cambodian Elections Will Never Defeat the KR"]

[Text] King Norodom Sihanouk's call last week for fresh general elections appears to be more an expression of his utter desperation about the situation in his war-blighted country than a viable plan for peace.

Speaking to a group of monks on Thursday the monarch said that the rebel Khmer Rouge, who refused to recognize the results of UN sponsored polls last year, should be willing to test their popularity in a democratic poll if they are truly representatives of the people.

The current leaders "are all sportsmen, so they must agree ... Then we can compete with each other through peaceful means. There will be no killing of each other, but we can attack each other through microphones," the king said.

But in Cambodia elections are a blood sport. The country has no history of peaceful transfer of power and no tradition of parliamentary opposition. Like the

Khmer Rouge now, the losers in any battle for power have traditionally taken their struggle to the jungle and there is nothing to suggest anything would change if polls were held.

Even with 23,000 UN soldiers and officials monitoring last year's polls, the election campaign proceeded under a climate of fear. Scores of candidates and canvassers were gunned down, voters intimidated, and ethnic Vietnamese massacred to make a political point. And then when the ballots were tallied, the Cambodian People's Party (CPP) threatened to take a large portion of the country and secede when it became apparent the royalist Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party would win.

The CPP and Funcinpec have since ruled in an uneasy coalition but much suspicion and acrimony remains. With much of Cambodia currently under threat from the Khmer Rouge insurgency, the timing couldn't be worse for the holding of a new election.

Much of the blame for the current mess in Cambodia must rest with the United Nations Transitional Authority in Cambodia (Untac) for failing to disarm the four warring factions as was required by the 1991 Paris Peace Accord.

Untac military chief Lt Gen John Sanderson argued that to have used force to disarm the Khmer Rouge would have breached the mission's peacekeeping mandate. What's more, he said, it would have been martial folly in the jungles of Cambodia.

But now with the Khmer Rouge threatening to impose a reign of terror over much of the northwest, the entire three-billion-dollar peace mission is beginning to look like folly.

By allowing the Khmer Rouge to remain armed, dangerous and outside the peace process, left behind a dangerous legacy for the new government. It also meant Untac was never able carry out another crucial provision of the peace accord—the establishment of a new national army.

The United Nations cannot be blamed for the Royal Cambodian Army's recent crushing defeats at the hands of the guerrillas at Anlung Veng and Pailin. But the prospects for Cambodia's post-election future would have been much brighter if even a modestly trained and functioning army had been up and running when Untac pulled out.

As things now stand, it appears that if Phnom Penh is ever to overcome the Khmer Rouge threat, constant military pressure is going to have to be applied.

The guerrillas have shown no sign of sincere interest in King Sihanouk's earlier peace initiative which would have given acceptable members of the group positions in power in exchange for an end to their insurgency. Instead, the group's leaders continue to respond to

government overtures with their anachronistic rantings about "the Vietnamese puppets, their lackies and the entente."

The Khmer Rouge have demonstrated over and over again they have no interest in participating in the rebuilding of Cambodia along democratic principals. Should they accept an invitation to join the elections there is no reason to believe they would campaign peacefully or abide by the results.

In last year's election, the real heroes were not the UN organizers but the voters who in great numbers defied threats of violence and death to cast ballots for their chosen party. But asking the Cambodians to take such a risk again under the current conditions would be to ask too much.

The UN tried valiantly to introduce democratic concepts to Cambodia as it steered the country towards elections.

But in Cambodia, it is the law of power that has always ruled and the only precept the Khmer Rouge responds to. Unfortunately for the new government in Phnom Penh, its army seems ineptly-led and ridden with corruption.

The international community would be right to respond to Cambodia's appeals for assistance to help train its military.

Elections, even those cleanly held, won't defeat the Khmer Rouge. Only force coupled with programs to better the lot of the population will finally rid Cambodia of this curse.

Army Says Stray Cambodian Shells Cross Border

BK1005031694 Bangkok THE SUNDAY POST in English 10 May 94 p 11

[Text] Artillery shells landed on the Thai side of the border during fierce fighting in western Cambodia yesterday morning, according to Thai military sources.

The Phnom Penh force led by 12th Division commander Gen Lai Virak deployed troops and six T-54 tanks against the Khmer Rouge's 450th Division which has its stronghold on Phnum Malai Hill.

The fighting took place about five kilometer from Poipet, a town bordering Ban Nong Eam, 15 kilometers southeast of Aranyaprathet.

On Sunday, the Burapha Task Force fired four M-81 mortar warning shots after artillery shells crossed the border. No casualties were reported.

The task force is considering revising its strategy in an attempt to pressure Khmer Rouge guerrillas to pull out from border areas.

In another development, Khmer Rouge forces launched a series of attacks on the villages near Highway Route 5, about 15 kilometers southwest of Sisophon.

The guerrillas set fire to more than 150 houses, sending almost 1,000 villagers fleeing into Banteay Meanchey province where about 15,000 people from many war-affected zones have sought refuge.

Highway Route 5 linking Poipet and Sisophon is unsafe for passage as fear looms over the possibility of KR guerrillas ambush.

Heavy Fighting Reported Along Cambodian Border

BK0805094394 Bangkok THE SUNDAY POST in English 8 May 94 p 2

[Text] Heavy fighting broke out on the Cambodian side of the border yesterday when Phnom Penh forces attacked the Khmer Rouge stronghold on Phnum Malai mountain.

Some six T-54 tanks and over 500 troops from the 12th Division and units of the Fifth Army Region led by commander Lai Vira, launched the attack on the Khmer Rouge's 450th Division led by Commander Sok Piap.

The area being attacked is opposite Thailand's Ban Laem Nong Eam which is 15 kilometers southeast of Aranyaprathet. It is about six kilometers from Poipet.

There were reports of hand to hand fighting from 9.00 a.m. and by 9.00 p.m. heavy fighting was still raging near Hill 25.

Thai villagers in the south of Aranyaprathet spent the night in bunkers as artillery shells continuously peppered the Thai side of the border.

[Bangkok SUNDAY NATION in English 8 May in a similar report on page A2 adds: "About 20 Cambodian government troops crossed the border into Sa Kaeo province yesterday during a fierce fight with Khmer Rouge guerrillas. They were sent back by border patrol police. The fight, involving heavy weapons, took place on the Cambodian side opposite Khok Tabaeng village in Aranyaprathet district."]

Money Laundering Bill Backed by Top Leaders

BK1105062894 Bangkok THE NATION in English 11 May 94 pp A1, A4

[Text] Government leaders yesterday said they agreed to a proposal by anti-narcotics officials to introduce money laundering law provided it did not constitute an infringement on the freedom of the individual.

Prime Minister Chuan Likphai said he approved of the idea in principle because a money laundering law would prevent dishonest people from converting their ill-gotten wealth into legal currency.

"In principle, the idea of preventing money laundering should do no harm to society. But we have to look into

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details of the proposed law to see whether the freedom of the individual would be compromised in the process," Chuan said.

The prime minister said the Office of the Narcotics Control Board (ONCB) had yet to submit its proposed anti-money laundering legislation to the Cabinet.

On Monday, Deputy Prime Minister Banyat Banthatthan said he approved of the proposed law in view of complaints by anti-drug officials that, without such a law, drug traffickers would continue to flourish from their illegal trade.

ONCB officials say many major traders in illicit drugs are beyond the reach of the law because law enforcement officials normally do not have hard evidence to link them to the crime. They say a money laundering law would make it much more difficult for drug traffickers to convert drug proceeds into legal assets.

The government's support for the idea came after it was alleged that at least eight MPs were involved in the trade of marijuana.

Nakhon Phanom MP Thanong Siriprichaphong has been accused by the United States' Drug Enforcement Agency (DEA) of involvement in the shipment of 45 tonnes of marijuana to the United States between 1977-87. His assets in the United States—a house and a luxury car—have been seized under an order by a district court in California although US law enforcement officials have yet to formally charge him with any crime.

Chuan, asked to comment on reports about a thesis written by an ONCB investigator which says eight MPs were involved in the marijuana trade, said he had seen the document, which lists certain lawmakers among other suspected drug traffickers.

But the prime minister added that there was "no hard and fast evidence. Some of them closely linked to local influential people or those who are suspected of involvement in drug trafficking."

He said he was told by ONCB officials that they could not find enough evidence to initiate legal action against most people on the list of suspected drug traffickers.

Chuan said he had instructed ONCB officials to take action without fear against anyone involved in the illegal drug trade as long as there was sufficient evidence.

Interior Minister Chawalit Yongchaiyut said he agreed that Thailand should have a money laundering law which would help anti-drug officials fight drug dealers more effectively.

Envoy Says Burma To Open to Foreign Tourists

BK1105063094 Bangkok BANGKOK POST in English
11 May 94 p 7

[Text] Burma is ready to open the country to foreign tourists in 1996, with the number of visitors per year

targeted at 50,000 from the year 2000 onward, said the Thai Ambassador to Burma, Wira Futrakun.

He said Thailand is happy to be the gateway for visitors wishing to visit that country.

The Burmese government has signed a contract with a Thai company to invest in accommodation in Burma. A number of hotel projects financed by foreign investors are underway to cope with the growing number of tourists.

Two first-class hotels are scheduled to be built in Pagan and another in Ranong, the ambassador said.

Thai Airways International's flight frequencies will also be given a boost provided agreement with the Burmese government is reached. There is now in effect a plan to double the length of stay for visitors from two to four weeks.

The Burmese government also proposed to grant "visas on arrival" to tourists travelling to the old capital of Mandalay, Mr Wira said.

The foreign visitors, however, have to pay US \$300 to purchase coupons which can be redeemed for accommodation and other service facilities in place of money, said the Thai ambassador.

Banhān Replaces Praman as Chat Thai Party Leader

BK0805103494 Bangkok THE SUNDAY NATION in English 8 May 94 p A1

[Text] Banhan Sinlapa-acha was yesterday elected leader of the Chat Thai Party, formally ending the long power tussle with his predecessor, party founder Praman Adireksan.

Praman was moved to the ceremonial post of party president, as earlier agreed between his small group of supporters and Banhan's powerful faction. The post of president was created recently just for Praman.

The elections, held during a party assembly at the Siam City Hotel, in Bangkok, also saw Sano Thianthong appointed Chat Thai secretary-general, replacing Banhan. New deputy party leaders, eight altogether, include Bun-ua Prasoetsuwan, Thawit Klinprathum, Watthana Atsawahem, and Praman's son Pongphon Adireksan. Prathuang Wichanpricha was made party spokesman.

Banhān, a Suphan Buri MP, is the first non-member of the Ratchakru clan to rise to the helm of Chat Thai which was formed 20 years ago.

After learning the result of the election, Banhan told reporters he would adhere to the policies laid down by previous leaders.

Chat Thai, which has no House seats in Bangkok, would try to penetrate the city political stronghold—dominated by Phalang Tham and the Democrats—during the next general election.

"If Chat Thai wins some seats in Bangkok, it means that Bangkokians accept us as working for the country," Banhan said.

Asked whether he had manoeuvred to seize control of Chat Thai as preparation for the prime ministership, he refused to comment, saying it was not the time to talk about it. However Sano cut Banhan short telling reporters that the new party leader was ready for the job of prime minister.

"If he was not ready for the post of prime minister, he would not have dared to accept the Chat Thai leadership," Sano said.

Praman said he was confident Banhan would take good care of the party. "I believe he will lead the party out of all kinds of trouble," Praman said.

Vietnam

Prime Minister Leaves for Burma 11 May

BK1105085894 Hanoi VNA in English 0649 GMT 11 May 94

[Text] Hanoi VNA May 11—Prime Minister Vo Van Kiet left Hanoi for Myanmar [Burma] this morning on an official visit to Myanmar as guest of Senior General Than Shwe, Burmese Prime Minister.

He is accompanied by Foreign Minister Nguyen Manh Cam, Minister of Culture and Information Tran Hoan, Forestry Minister Tran Quang Ha, and other high-ranking government officials.

This is the first visit to Myanmar by a Vietnamese prime minister. 110649

Iranian Foreign Minister Valayati Interviewed

BK1005144894 Hanoi Voice of Vietnam in English 1000 GMT 10 May 94

[Text] President Le Duc Anh has ended a friendship visit to Iran. The Iranian foreign minister, Mr. Velayati, was interviewed by our radio correspondent in Tehran on this occasion. The Iranian foreign minister said the visit to Iran by President Le Duc Anh was an important and historical mark of relations between the two countries. All meetings and talks between the two presidents as well as between ministers of the two countries were successful. The two sides agreed to set up an intergovernmental committee on economic, scientific-technical, cultural, and trade cooperation between Vietnam and Iran.

Asked by our correspondent on the perspective to promote bilateral ties, the Iranian foreign minister said:

[Begin Velayati recording in English] As I said to His Excellency, the visit of President Anh is considered as a very important visit and could be considered as a milestone in our bilateral relations. Not only two presidents have had very constructive and fruitful talks, but also besides that the different ministers from both sides have started to talk in different terms about different kinds of cooperation. This morning, both presidents have decided to hold the (first economic commission) session here and this afternoon, what they decided was materialized. It is quite natural that political relations mark the first step. Other kinds of relations should be based on the political relations. We cannot promote well the economic relations without promoting of political relations. So one year ago your prime minister came here and that was the first visit of a foreign minister of Vietnam to Iran and since then both countries have (?wrought out) on the trip of his excellency the president to Iran. The most important part of discussions which have been held between our two countries has been those devoted to the economic relations. So, yes, there is a good hope for the promotion of relations and economic relations. [end recording]

State Bank Governor Attends ADB Meeting in France

BK1005150494 Hanoi VNA in English 1354 GMT 10 May 94

[Text] Hanoi VNA May 10—A Vietnamese delegation led by Governor of the Vietnam State Bank Cao Si Kiem has attended the annual conference of the Asian Development Bank (ADB) held in Nice France.

The conference was attended by representatives of ADB's 55 members, international monetary organizations, major world banks and investment companies.

Addressing the event, Governor Cao Si Kiem expressed the Vietnamese Government's thanks to the international monetary organisations, especially the ADB for their financial assistance and support in Vietnam's renewal cause and its re-integration into the international monetary community.

Governor Cao Si Kiem pointed out the necessity of the international monetary assistance and the efforts to mobilize the domestic capital aimed at meeting the demands of the investment capital according to the strategy of the economic development in the year 2000.

While in Nice, the Vietnamese delegation has met with central banks, trade banks, business and investment organizations of other countries.

KLM Augments Ho Chi Minh City-Amsterdam Flights

BK1105083894 Hanoi VNA in English 0634 GMT 11 May 94

[Text] Hanoi VNA May 11—As of 16th May, Royal Dutch KLM Airlines will increase flights on the Amsterdam-Ho Chi Minh City route from once to twice weekly.

Departure from Ho Chi Minh City is scheduled for Mondays and Wednesdays at 7.00 p.m.

VIETNAM NEWS quotes KLM's Vietnam Manager Ronald M. Pieters as saying on Sunday:

'There will be more weekly flights between Vietnam and the Netherlands since there have always been good relations between our two companies : Vietnam Airlines and KLM' Mr Pieters said.

Denmark Clears Hanoi's 50 Million-Dollar Debt

BK1005131294 *Hanoi Voice of Vietnam in English*
1000 GMT 10 May 94

[Text] Denmark has cleared Vietnam of its 50.8 million-dollar debt. The Danish minister of cooperation, Mrs. Helle Aid, said the action was taken because Vietnam was a preferential counterpart of Denmark. Mrs. Helle Aid also announced that Denmark had cleared Cambodia of its debt because Cambodia was one of the poorest countries in the world and unable to repay its debt.

Government Issues Administrative Reform Resolution

BK1005095494 *Hanoi Voice of Vietnam Network in Vietnamese* 2300 GMT 9 May 94

[Text] The government has just issued a resolution on reforming administrative procedures. The resolution said that administrative procedures, especially those related to resolving the problems of citizens and organizations, problems are not uniform and sometimes cumbersome. It said that responsible agencies trend to arbitrarily resolve these problems by focusing on their conveniences rather than paying attention to the people's interests and aspirations.

The resolution stressed that many state organizations have incorrectly implemented regulations on receiving and resolving complaints while adopting an attitude of deferring work to other agencies. This has resulted in a stalemate. Some agencies even establish procedures and fees in an arbitrary fashion beyond the boundaries of their authority, while others collect fees higher than the permissible rate set by the state. Many organizations do not make various state administrative procedures public, as they fail to train cadres to handle tasks effectively in this regard. Many civil servants fail to show courtesy toward the people and adopt a self-conceited attitude. Worse still was that some even asked for a bribe to help people resolve their problems.

These negative practices have not only wasted time, effort, and funds of various agencies and units, but have encouraged corruption, created indignation, and diminished confidence in the state. As a result, it is necessary for us to urgently reform administrative procedures to meet the people's legitimate aspiration. It is also an important step in further reforming the national administration system.

The government resolution set forth eight concrete tasks to be implemented in the second quarter, which are aimed at fundamental change in resolving work and problems between state agencies and other organizations and between state agencies and the people, especially in receiving and resolving problems.

The government also asked various echelons and agencies to strive to urgently improve their work and performances, especially members of the cabinet, directors of government organizations, chairmen of people's committees of provinces and municipalities directly subordinate to the central government, ministers, deputy ministers, and organizations at ministerial level.

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